

## **Children's Hearings Scotland Board Paper Agenda Item 2.1**

<b>Date of Meeting</b>	21 <sup>st</sup> November 2011
<b>Paper number</b>	CHS1112-013
<b>Title</b>	<b>Shared Services</b>
<b>Purpose</b>	The Purpose of this paper is to update the Board on progress in the provision of shared services to CHS.
<b>Options</b>	<ul style="list-style-type: none"><li>• <b>Note Progress</b> in the provision of shared services to CHS.</li></ul>
<b>Recommendations</b>	The Board is invited to: <ul style="list-style-type: none"><li>• <b>Note Progress</b> in the provision of shared services to CHS.</li></ul>
<b>Attachments</b>	MOU with SCRA for Shared Services
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<b>Contact Details</b>	

## **Agenda Item 2.1**

### **1. Purpose**

- 1.1 The Purpose of this paper is to update the Board on progress in the provision of shared services to CHS.

### **2. Recommendations**

- 2.1 The Board is invited to—

- **Note** Progress in the provision of shared services to CHS.

### **3. Background**

- 3.1 The Board considered the provision of shared services to CHS at its inaugural Board Meeting on 15 July 2011. The board agreed at that meeting to delegate responsibility for shared service provision to the Chief Executive. The Board requested the Chief Executive conclude agreements with SCRA for the provision for Human Resources and Payroll and Scottish Government for IT and telephony services, in addition the Board delegated authority to the Chief Executive to examine other shared service opportunities.
- 3.2 Negotiations with SCRA continued after the July Board meeting. The initial offer from SCRA was refined. The Memorandum of understanding (MOU) was concluded in October 2011. The MOU is attached to this paper.

### **4 Proposal and Discussion**

- 4.1 The shared services arrangements with SCRA are now moving to the next phase which is establishing governance arrangements for the shared service agreement. These arrangements will be lead by the Director of Finance and Corporate Services they will focus on a regular Shared Service Review Board meeting quarterly (details in MOU 6.3).
- 4.2 The shared service for procurement is currently in development with National Records Scotland (NRS).
- 4.3 The IT and telephony provision for CHS is being provided by ISIS a department of the Scottish Government.
- 4.4 The Finance shared service with SCRA has been agreed to end of the financial year 2012-13, it is envisaged that CHS will be able to carry out all finance functions in house, except for Payroll.

## **5 Resource Implications**

- 5.1 CHS has a budget for corporate services of £202,750 in 2011-12 and then £363,500 for 2012-13. The shared services with SCRA are being delivered at a cost of £72,400 for the year 2011-12 which includes set up costs, for the year 2012-13 the costs are projected to be £84,688. The IT and telephony provision from ISIS has an estimated cost of £54,565 but this includes a 20% contingency. The recurring costs of this service are estimated at £13,000. These figures represent a significant saving against the original budget for corporate services.**



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**Memorandum of Understanding**  
*between Children's Hearings Scotland and Scottish  
Children's Reporter Administration for the provision of  
Shared Services*

**October 2011**

Version 1.3

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## 1. Memorandum of Understanding

This Memorandum of Understanding is between and entered into by:

**Scottish Children's Reporter Administration** whose offices are located at Ochil House, Springkerse Business Park, Stirling, Stirlingshire, FK7 7XE

and

**Children's Hearings Scotland** whose offices are located at Ladywell House, Corstorphine, Edinburgh, EH12

having the effective date of 1 September 2011.

## 2. Definitions and Interpretations

"the memorandum of understanding" means *"the partnership agreement to be entered into by the parties"*

## 3. Background

- 3.1 Scottish Children's Reporter Administration ('SCRA') is a Non-Departmental Public Body which was established under the Local Government Etc. (Scotland) Act 1994.
  - 3.2 Children's Hearings Scotland ('CHS') is a Non-Departmental Public Body, established under the Children's Hearings (Scotland) Act 2011, which brings together certain functions associated with Children's Hearings in Scotland and supports the new National Convener in undertaking her statutory responsibilities.
  - 3.3 Shared services are a key element of the Scottish Government's efficiency agenda. Sharing support services between SCRA and CHS ('the parties') will ensure that back office functions are delivered as effectively and efficiently as possible to both organisations, presenting the opportunity to drive down costs while delivering high quality professional services to both parties. SCRA and CHS agree that joint and shared services are a practical means to creating resilient and improved services for children and families while delivering financial savings for both parties.
  - 3.4 It is important to distinguish between providing shared services and partnership working between SCRA and CHS. The Principal Reporter and the National Convener will work together in partnership to deliver better outcomes for children and young people beyond the formal shared services agreement. A separate memorandum of understanding between SCRA and CHS will cover these arrangements and set out how the independent roles of both organisations will be maintained.
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#### **4. Objectives of Memorandum of Understanding**

- 4.1 This memorandum of understanding is to establish the arrangements for SCRA to provide a defined range of HR/Payroll, Finance and Business Support Services to CHS.
- 4.2 The parties acknowledge that it is not their intention for this memorandum of understanding to have a binding legal effect. It is a statement of their shared intention to work together in a spirit of support and mutual co-operation.
- 4.3 This memorandum of understanding will continue until it is either changed with the agreement of the Shared Service Review Board, replaced by a new memorandum of understanding, or terminated.

#### **5. Flexibility and Phasing of Services**

- 5.1 The memorandum of understanding is written in the spirit of cooperation and flexibility between SCRA and CHS. Flexibility will be required across the shared services relationship to phase in services effectively and efficiently over a period of time.

#### **6. Management, Accountability and Governance**

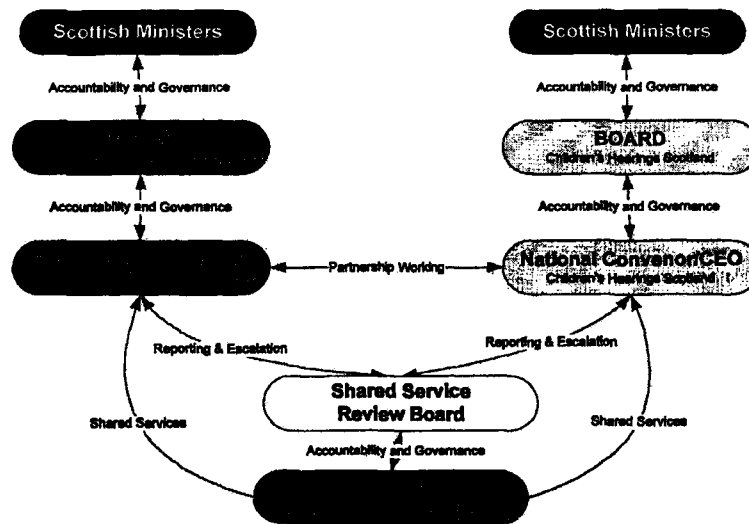
- 6.1 A Shared Service Review Board should be formed comprising the Director of Finance & Corporate Services of CHS who will chair the Board, the Director of Support Services of SCRA, a member of the Scottish Government Sponsoring Team and SCRA's Head of Finance & Resources. This meeting will be supplemented by other colleagues as required.
  - 6.2 The Shared Service Review Board will maintain appropriate and demonstrable systems of governance, risk management and internal control and assurance.
  - 6.3 The purpose of the Shared Service Review Board shall be to oversee, monitor, manage and develop the shared arrangement to ensure the successful delivery of shared services. As part of this, the Shared Service Review Board will:
    - Take collective responsibility for seeking out opportunities to make both service improvement and cash savings;
    - Ensure its aims and activities are consistent with, and complement those of, SCRA, CHS and mutual partners;
    - Improve and sustain performance standards (Service Level Agreements) and contestability; and
    - Ensure appropriate and robust governance arrangements are in place.
  - 6.4 SCRA will provide the secretariat for the Shared Service Review Board.
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6.5 The management arrangements for the Shared Service Review Board will be as follows:

- Quarterly meetings (and when business need arises);
- Meeting venue alternates between CHS and SCRA;
- Chaired by CHS's Director of Finance & Corporate Services; and
- Decisions made on a consensus basis.

6.6 A diagram of the Shared Services Governance Model is presented below.



## 7. Core Vision and Values

### 7.1. Overall vision

*Deliver and share services to facilitate cash savings, improvement, efficiency and innovation.*

### 7.2. Core values

To underpin the commitment to improving services for children and families and delivering value for money, the parties will share the following values when delivering shared services:

- **Innovation:** seeking innovative and imaginative solutions to improve service delivery and create resilience;
  - **Challenge:** being open to challenge from each other as well as from other scrutinising bodies;
  - **Best practice:** using best practice approaches;
  - **Best fit:** adopting a "best fit" approach to seeking solutions;
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- **Partnership:** developing positive and effective partnership working between the parties;
  - **Accountability:** delivering agreed outcomes within a sound governance framework; and
  - **Transparency:** making open and clear decisions and demonstrating the improvements and savings made from shared services.

## **8. Timescale of Agreement and Termination**

- 8.1 The memorandum of understanding will commence on 1 September 2011.
- 8.2 This memorandum of understanding shall remain in place for as long as both parties find it to be mutually beneficial. It will be reviewed annually and may be terminated by agreement of the parties or by one party on provision of six months notice.
- 8.3 The schedule of shared service provision is presented below:

<b>Shared Service</b>	<b>Agreed Duration</b>
HR/Payroll	1 September 2011 – 31 March 2015
Finance	1 September 2011 – 31 March 2013
Business Support	1 September 2011 – 31 March 2013

## **9. Cost Sharing**

- 9.1 The costs for shared services will be agreed by both parties at the outset. Whilst HR/Payroll and Finance Services will be delivered within a dedicated financial settlement, Business Support Services will be offered on a more flexible basis with services drawn down as required by CHS from an initial annual allocation of 20 days. In the event of CHS requiring additional days, these will be charged at the agreed standard rate.
- 9.2 Costs for 2011/12 will be shared between both parties on a basis of providing cost effective services to each party and on estimates of usage.

## **10. Dispute Resolution**

- 10.1 In the unlikely event of a dispute which cannot be resolved through the Governance structure at 6.6, disputes will be resolved by agreement of the Principal Reporter/CEO of SCRA and the National Convener of CHS.

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**Bernadette Monaghan**  
National Convener/Chief Executive  
3rd October 2011

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**Neil Hunter**  
Principal Reporter/ Chief Executive  
3 October 2011

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