

REVIEWING THE SLAS AND IN-KIND ARRANGEMENTS BETWEEN INDIVIDUAL LAS AND ERW

Context

ERW has been in existence in its current form since May/June of 2014. Standards have continued to improve at or above the Wales average and especially for pupils entitled for free school meals. Estyn have reported (2016) that our work and services to improve schools is good. However, a follow-up visit in 2017 deemed overall progress in meeting the four recommendations to be slow as ERW's central team and six local authorities have found it difficult to increase the pace of improvement under the existing governance arrangements.

Since the organisation was established, the organisation has grown as Welsh Government is increasing expectations of regional consortia to play a key role in delivering new ministerial priorities. ERW has had to develop on a foundation designed for a much smaller organisation with fewer resources and responsibilities. Currently, the region has a weak infrastructure based on in-kind and historical arrangements.

A strength of the current arrangement has been provided by the decision to agree Service Level Agreements (SLAs) for the main business functions, ie Finance, IT and HR, with the same local authority (Pembrokeshire County Council) as these functions are closely linked. This strengthens the organisation through the mature working relationships, provides clear accountability, supports employees and provides assurance for Joint Committee.

With the SLAs due for renewal, now would be a good time to review all services currently covered under the Shared Services Framework, the 'contributions in kind' (covered under the legal agreement) and to identify any outstanding areas to be included going forward.

Current Situation

Overall, many of the services provided to ERW both under agreements and by SLA from

Local Authorities have been successful. However, it is timely to review value for money and the quality and scale of services as the organisation grows. The growth in expectations on ERW are significant and the quality of corporate support services provided for Joint Committee should be at least equal to those of an LA.

All local authorities should also recognise the principles in the legal agreement and the importance of being able to share services in this way. There is a legitimate and important principle here for collaboration and a common ownership of outcomes. ERW has led this style of distributed governance and shared services, and secured its success.

Nevertheless there are critical infrastructure matters requiring urgent attention: HR; Finance; Audit; IT; Insurance; Accommodation; Health & Safety; GDPR.

The role of Pembrokeshire as employer and Lead Banker under the 1972 Local Government Act does enable the Head of Paid Services to establish sufficient capacity for the effective running of the shared service. For management purposes, it is easier to receive support from one LA and to develop contingency planning on this basis. It therefore makes good business sense to retain the current SLAs for the main functions and continue to strengthen the working relationships that has been developed, after all, there is little value in changing arrangements that are working well.

The previous Comms SLA with Carmarthenshire LA had lapsed due to lack of capacity and subsequently became an in-house function on a part-time basis. Feedback received through various forms from Headteachers, staff and Directors have highlighted a real issue with internal comms. A new SLA is thus needed to address this. This would need to be a full-time role.

Due to the critical risk levels concerned, it is proposed that SLAs are undertaken as follows:

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| • Lead Banker and Lead Finance Authority | £27,357 |
| • Internal Audit | £20,000 |
| • Lead Employer Function | £10,000 plus Helen's and Ceri's |
| • Comms | £20,000 |
| • IT | £37,000 |
| • Insurance | £20,000 |
| • Procurement | £12,000 |
| • GDPR | To be determined |

All 'in kind' agreements are to be reviewed in 2020, bar one – The Section 151 Officer, to be reviewed in 2022.

Recommendations

1. Continue to use Pembrokeshire CC for IT, HR, Finance and Internal Audit
2. Enable Lead Chief Officer and Managing Director to vary the SLAs to accommodate changes within ERW

Service	Arrangement and scope	LA	Cost	PROPOSAL
Link Chief Executive¹	Support chair of Joint Committee, Lead and champion ERW Line manage MD	Swansea	In kind Equivalent of 2 days a month	Keep current arrangement until end March 2020
Link Director	Represent ERW at national level, ADEW Exec, Chair Executive Board or equivalent	Powys	In kind Equivalent of one day a week	Keep current arrangement until end March 2020
Section 151 Officer	To provide advice and guidance to Managing Director, Link Director and Link Chief Executive on matters relating to ERW's finances. Statutory 151 duties for ERW	Pembrokeshire	In kind Equivalent of 3 days a month	Keep current arrangement until end March 2022 based on lead up required for infrastructure change.
Monitoring Officer	To provide advice and guidance to Managing Director, Lead Director and Lead Chief Executive on matters relating to ERW's operation and governance. To support Joint Committee and Executive Board members in undertaking	Ceredigion	In kind Equivalent of 2 days a month	Keep current arrangement until end March 2020

¹ In line with proposed changes to draft National Model 2018

Service	Arrangement and scope	LA	Cost	PROPOSAL
	their role within ERW's governance structures			
Scrutiny	<p>Organisation and preparation of ERW Scrutiny meetings and seminars with each LA</p> <p>Changes to Swansea in-kind commitment noted in legal agreement to ERW negotiated between Director and MD in 2015</p>	Swansea	<p>In kind currently. Equivalent of 12 working days annually @ £200</p>	<p>Keep current arrangement until 2020</p> <p>To open to all LAs via procurement process to 6 LAs for April 2020</p>
Committee Services	<p>Provide clerking role for the Joint Committee meeting and the Executive Board meetings.</p> <p>Administrative function for Joint Committee.</p>	Carmarthenshire	<p>In kind currently. Equivalent of 25 days annually</p> <p>(25 days @ £200)</p>	<p>Keep current arrangement until 2020</p> <p>To open to all LAs via procurement process to 6 LAs for April 2020</p>
Lead Banker and Lead Finance Authority	<p>Support and administration of financial management for ERW. Internal audit function to provide assurance of all 5 other LAs; oversight of ERW finance by Section 151.</p> <p>The Section 151 officer notes that having the IA</p>	Pembrokeshire	£27,357	<p>The function has to stay with same LA as Section 151 officer.– to continue for period of Lead Financial authority is held by Pembrokeshire</p> <p>Agree to sign up to PCC financial regulations</p>

Service	Arrangement and scope	LA	Cost	PROPOSAL
	function of Pembrokeshire supporting his statutory role is pivotal to accountability due to distributed nature of ERW's governance of resources.			
Legal Services	<p>To provide legal services to ERW.</p> <ul style="list-style-type: none"> - Eg drawing up of legal documentation for licence to occupy offices at Y Llwyfan. 	Ceredigion	As necessary	<p>Pay for as required on advice of Monitoring Officer until March 2020. Open up for expressions of interest from all LAs for three year for period from 2020.</p> <p>Propose HR related legal advice be via lead employer ie Pembrokeshire</p>
Internal Audit	<p>Annual performance review to be agreed with MD.</p> <p>Objective financial audit of ERW accounts.</p> <p>Review of themed work in ERW.</p>	Pembrokeshire	£20,000	<p>The function has to stay with same LA as Section 151 officer.– to continue for period of Lead Financial authority is held by Pembrokeshire</p> <p>Section 151 officer advises that he requires capacity to provide assurance in statutory role</p>
Lead Employer Function	<p>ERW staff are employed by Pembrokeshire County Council for payroll purposes. Similarly, seconded staff arrangements are managed through Pembrokeshire.</p>	Pembrokeshire	£10,000	<p>The function has to stay with same LA as Section 151 officer.– to continue for period of Lead Financial authority is held by Pembrokeshire</p>

Service	Arrangement and scope	LA	Cost	PROPOSAL
Comms	<p>To manage all comms within ERW:</p> <ul style="list-style-type: none"> - Branding - Press Releases - Attendance at National/Regional Comms Groups - Engaging with stakeholders - Updating website - Updating intranet - Production of newsletter/s - Twitter management - Forums/pages/groups for internal comms 		£20,000	<p>Previously with Carmarthenshire CC – due to capacity changes, this has now lapsed</p> <p>Proposed to open to all LAS from Sept 2018</p>
IT	<ul style="list-style-type: none"> - Reactive IT Support Services. - Provision of IT including laptops, i-pads, mobile phones, e-mail. - Provision of server storage, backups and printer access for just email. <p>proactive and timely service</p>	Pembrokeshire	<p>£37,000</p> <p>Apr – Aug 18 5 months on 36K = £15K Sep– Mar 19 7 months on 37K = 21.6K</p>	<p>The function has to stay with same LA as Section 151 officer.– to continue for period of Lead Financial authority is held by Pembrokeshire Fixed for 3 years</p>

Service	Arrangement and scope	LA	Cost	PROPOSAL
Insurance			£20,000	
Procurement			£12,000	Agree to follow PCC standing orders
GDPR				No LA currently has responsibility for GDPR for ERW. PCC have provided some advice. Propose opening to all LAs to show interest and cost to MD by 1 Sept 2018

Service Level Agreement

Signatures Responsible Officer: Osian Evans Overseeing Officer: Betsan O'Connor		Signatures Responsible Officer: Charlotte Hodges Overseeing Officer: Joanne Hendy		Effective from: April 2016 Until: End of March 2018	
Service				Cost	
The provision of Internal Audit services to ERW for the 2016-2017 financial year for Governance <ul style="list-style-type: none">• Follow up of previous audit recommendations• Follow up of annual governance statement priorities for improvement• Amendment to Legal Agreement• Support to Schools (including School to School support)• Planning and Strategy Development					
Quarterly Evaluation					
Action	Lead + Timescale	Quarter 1	Quarter 2	Quarter 3	Quarter 4

<u>Governance</u> <ul style="list-style-type: none"> • Follow up of previous audit recommendations • Follow up of annual governance statement priorities for improvement • Amendment to Legal Agreement 					
Support to schools (including School to School support)					
Planning and Strategy Development					

Service Level Agreement

Client ERW		Provider Pembrokeshire County Council Human Resources Division		Date of Agreement:	
Signatures Responsible Officer: Ruth Lee Overseeing Officer: Betsan O'Connor		Signatures Responsible Officer: Overseeing Officer: Ceri Davies		Effective from: April 1 st , 2016 Until: 31 st March, 2018	
Service The provision of comprehensive payroll and HR services to ERW, encompassing all employees. These services will be divided into two parts – HR services and Payroll services. If timescales are not adhered to as agreed upon in this document, this will warrant notification to the Head of Pembrokeshire County Council Human Resources Division.				Cost Annual fixed charge of £10,000 to be reviewed annually	
Quarterly Evaluation					
Action	Lead + Timescale	Quarter 1	Quarter 2	Quarter 3	Quarter 4

Administration relating to the processing of employee details for payroll, pension, national insurance and reference purposes.	Ruth Lee, To be discussed quarterly in a meeting between Ruth Lee and Ceri Davies. (Last meeting 5/12/16, future dates TBD).				
Consultancy service that offers comprehensive information, advice and support on employment and payroll matters.					
Professional consultancy/advice from the Head of Pembrokeshire County Council to the Managing and Lead Directors of ERW.					
Advertising, pre-employment etc. for all new employees and secondees					

Service Level Agreement

<p>Signatures</p> <p>Responsible Officer: Ruth Lee</p> <p>Overseeing Officer: Betsan O'Connor</p>	<p>Signatures</p> <p>Responsible Officer: Neil Angell</p> <p>Overseeing Officer: Lee McSparron</p>	<p>Effective from: April 1st 2016</p> <p>Until: March 31st 2018</p>
<p>Service</p> <p>Provision of IT Services for the financial year in terms of Set Up, Ongoing Support and Other Arrangements. In the first instance support and diagnostics where possible will be made via remote tools unless not practical. In this event an appropriate Desktop Analyst or other member of the team will be deployed to site. The target response time for such deployment is one working day. Some elements of the service may require escalation to the Service Desk Manager, and failure to adhere to timescales may also result in such escalation.</p>	<p>Cost</p> <p>2017-2018 £21,194.90 Breakdown attached with comment.</p> <p>Broadband Connectivity Fee 1/4/18 – 31/3/19 - £2163.17</p> <p>Total SLA £23,358.07</p> <p>Further costs associated with the I.T Provision which are excluded from this fee including but not limited to:</p> <p>Office 365 Licenses and Subscriptions, Mobile Telephone costs or Mobile Data tariff cost.</p>	

Quarterly Evaluation					
Action	Lead + Timescale	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<u>Set Up:</u> Provision of IT for core staff, such as laptops, iPads and mobile phones including email. Additionally, provision of server storage, backups and printer access.	Office Co-Ordination Officer Discussed in one meeting each quarter between Responsible Officers (last meeting Nov 8 th 2016, future dates TBD)				
<u>Ongoing Support:</u> Day to day queries and advice/support via the Service Desk 8am-5pm Monday to Friday, excluding public holidays Provision of User Account Settings within the Corporate Active Directory Provision of central server storage facilities	Office Co-Ordination Officer Discussed in one quarterly meeting between Responsible Officers (last meeting Nov 8 th 2016, future dates TBD)				

<p>Management of backup arrangements for data held within server storage facilities.</p> <p>Management of end devices including AV, security and patching.</p> <p>Administration, configuration and End User Support of Office 365 Cloud Email</p> <p>Procurement of new IT hardware and software including installation</p> <p>Remote access facilities for supported devices.</p> <p>Local Area Network Support including WiFi</p>					
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<p><u>Other Arrangements:</u></p> <p>Provision of hardware and access to the ERW Office 365 email for non-core staff such as secondees</p> <p>Ad-hoc support as and when required</p> <p>Act as a consultancy service as and when required.</p>	<p>Office Co-Ordination Officer</p> <p>Discussed in one quarterly meeting between Responsible Officers (last meeting Nov 8th 2016, future dates TBD)</p>				
<p><u>One day every 2 weeks where a staff member is available on site for reactive support</u></p>	<p>Office Co-ordination Officer</p>				