



Report to the Joint Executive Committee

Meeting Date – 9 September 2024

Key Decision – No

Public/Private – Public

Portfolio – Deputy Leader (Statutory), Cumberland Council, Leader, Westmorland and Furness Council

Directorate – Business Transformation and Change, Cumberland Council, Assistant Chief Executive, Westmorland and Furness Council

Lead Officer – Jo Atkinson, Cumberland Council, Alison Hatcher, Westmorland and Furness Council

Title – Update on Disaggregation Programme Delivery

Summary:

To provide members of the Joint Executive Committee with an update on the delivery of the Joint Disaggregation Programme, provide approval for the amendments to disaggregation programme outlined in the recommendation section below, and note the update on services where the hosting arrangements are due to end before March 31 2025.

Recommendations:

The Joint Executive Committee are asked to:

- Note the update from the Joint Officer Board on the progress of disaggregation for the Apprenticeships (disaggregation 30 September 2024) and Adults Urgent Care Team (disaggregation 30 September 2024).
- Agree the proposal on extending the IAA provisions in relation to the Payroll and HR Admin functions to expire 31 July 2025, rather than 31 March 2025 (maintaining the existing hosting arrangement for Payroll and HR Admin for a further three months).
- Approve the proposal to change dates of disaggregation for Financial Systems to:
 - Bring forward the date of disaggregation of Banking and Control teams to 31 December 2024,
 - Retain the date of disaggregation of the Purchase to Pay and Accounts Receivable Team as the agreed date of 31 March 2025,

- Extend the date of disaggregation of the Financial Systems Team that provides support to the E5 system to 31 March 2026 at the latest, in line with the separation of the systems.
- Approve the proposal to move to long-term hosting for Commons Registration service by Cumberland Council, commencing 1st April 2025 with an annual review of the arrangement.
- Approve the proposal to move to long-term hosting for Historic Environment by Westmorland and Furness Council, commencing 1st April 2025 with an annual review of the arrangement.

1. Background

- 1.1 The Joint Executive Committee are responsible for the oversight and management of the hosted services including the development and implementation of disaggregation plans. Any changes to disaggregation dates must be approved by the Joint Executive Committee following consideration by the Joint Officer Board.
- 1.2 On 13 August 2024, the Joint Officer Board considered proposals to amend the dates of disaggregation or move to long-term hosting for hosted services as detailed in paragraphs 1.3 to 1.7.
- 1.3 On 4 December 2023 and 25 January 2024, it was agreed at Joint Officer Board and Joint Executive Committee respectively, to split the Payroll and HR Recruitment service into DBS and Recruitment, and Payroll and HR Admin due to the benefits each authority would receive from an early disaggregated DBS and Recruitment Service. It was agreed that Payroll and HR Admin would remain hosted until 31 March 2025 due to the complexity of disaggregating the service and the dependency on the HR and Payroll onboarding work being completed, the Cumbria County Council payroll being split, and the PAYE reference being changed from former council references to the new unitary references. Work is currently underway with the sovereign county HR and Payroll system (iTrent) supplier (MHR) to consolidate the sovereign district councils on to iTrent. All former district councils are expected to be onboarded by the end of 2024.
- 1.4 A review of the service and completion of an impact assessment has been undertaken which indicates that whilst the service could safely and legally disaggregate, it is not recommended at this stage due to the risk to resilience for one of the unitary authorities, as there is currently only one payroll lead with the knowledge and skillset to lead the Cumbria County Council payroll. There will be a requirement for both authorities to identify

resources needed, either internally or externally to meet their future service delivery needs.

- 1.5 The Payroll and HR Admin Service proposal is to delay disaggregation by three months from 31 March 2025 to 31 July 2025 Disaggregation.
- 1.6 A review of the Financial Systems and Purchase to Pay and Accounts Receivable Services recommends the incremental disaggregation of these teams. The recommendation is to bring forward the date of disaggregation of the Banking and Control elements of the Financial Systems team to 31 December 2024 from 31 March 2025 to enable each authority to develop the team to deliver the activities of this function. It is recommended that the date of disaggregation of the Financial Systems Team that provides support to the E5 system is extended to 31 March 2026 at the latest, from the current disaggregation date of 31 March 2025. Disaggregation of this team will align with the separation of the systems and will be reviewed as the programme of work develops to determine the timeline for disaggregation. The activities covered by the Purchase to Pay and Accounts Receivable Service will retain the disaggregation date of 31 March 2025.
- 1.7 A review of the Apprenticeship Service hosted service was reported to the Joint Executive Committee 13 November 2023, and it was agreed to bring forward the disaggregation of the Apprenticeship Team from 31 March 2025 to 30 September 2024. This team includes disaggregation of workforce planning and resourcing, marketing and communications, inclusion, mentor training and support, support for wider strategic objectives, employability pathways, ambassador network, and external partnerships. Work to disaggregate this service is progressing and the Joint Executive Committee agreed that the Digital Apprenticeship Service Account and Levy would retain the disaggregation date of 31 March 2025. However, there are number of outstanding arrangements which need to be agreed, including the approach to the management of the Apprenticeship Levy and Digital Apprenticeship System, management of the existing Apprenticeship framework, and decisions regarding apprenticeship funding by both authorities, all of which need agreement prior to the disaggregation of the team.
- 1.8 The Joint Executive Committee 25 January 2024 agreed to postpone the disaggregation of the Adults Urgent Care Team from 31 March 2024 to 30 September 2024, or 31 March

2025 at the latest. Following a review of options for disaggregation, the preferred option has been identified and agreed. This will facilitate the current teams to continue operation as-is post-disaggregation on 30 September 2024 until 31 March 2025. During this time period, a full consultation will take place in order to re-shape both teams and enable both authorities to operate independently in their new forms from 1 April 2025. This will ensure that service delivery can continue and impacts on customers are reduced during the reshape of the service.

1.9 The Commons Registration Service proposal is to extend the length of the current disaggregation date from 31 March 2025 to a long-term hosting by Cumberland Council (commencing 1st April 2025) with an annual review of the arrangement. The Commons Registration Service is a statutory function which was formally operated by Cumbria County Council, covering all the county including the national parks. Following local government re-organisation in 2023, the service was located within Westmorland and Furness Council and placed in a temporary shared role under the S113 agreement, providing a shared service to both new unitary authorities. This agreement was extended in April 2024, to run until the end of March 2025. The disaggregation of the service would result in an increase in staffing and accommodation costs beyond current levels, therefore a long-term hosting arrangement is proposed.

1.10 The Historic Environment proposal is to extend the length of the current disaggregation date from 31 March 2025 to a long-term hosting by Westmorland and Furness Council (commencing 1st April 2025) with an annual review of the arrangement. The Historic Environment Service provides archaeological advice to the planning authorities as required by the National Planning Policy Framework and maintains the Historic Environment Record (HER) as a statutory duty under the Levelling-up and Regeneration Act (2023). Following local government re-organisation in 2023, the service was placed in a temporary shared role under the S113 agreement and employed by Westmorland and Furness Council. The disaggregation of the service with current staffing levels would result in one officer in each authority, which is not sufficient to run and deliver the service or its statutory functions effectively. Each authority would require an additional officer. As the work and bespoke software is specialised, new staff would be required to be in post and trained prior to any division of the service therefore, a long-term hosting arrangement is proposed.

2. Proposals

- 2.1. Members are asked to consider the recommendations from the Joint Officer Board to:
- Extend the IAA provisions in relation to the Payroll and HR Admin functions to expire July 2025, rather than 31 March 2025
 - Change the dates of disaggregation for Financial Systems to:
 - bring forward the date of disaggregation of Banking and Control to 31 December 2024,
 - retain the date of disaggregation of the Purchase to Pay and Accounts Receivable Team as the agreed date of 31 March 2025,
 - extend the date of disaggregation of the Financial Systems Team that provides support to the E5 system to 31 March 2026 at the latest, in line with the separation of the system.
 - Move to long-term hosting for Comms Registration Service by Cumberland Council (commencing 1 April 2025) with an annual review of the arrangement.
 - Move to long-term hosting for Historic Environment by Westmorland and Furness Council (commencing 1 April 2025) with an annual review of the arrangement.
- 2.2 Members are asked to note the update from the Joint Officer Board on progress of the planned disaggregation of the Apprenticeships (disaggregation 30 September 2024) and Adults Urgent Care Team (disaggregation 30 September 2024).

3. Alternative options considered

- 3.1 Members could choose to maintain the disaggregation date for the Payroll and HR Admin Service as 31 March 2025.
- 3.2 Members could choose to maintain the Family Group Conferencing Service as a long-term hosted service.
- 3.3 Members could choose to maintain the disaggregation date for Financial Systems as 31 March 2025.
- 3.4 Members could choose to maintain the disaggregation date for Commons Registration Service and Historic Environment as 31 March 2025.
- 3.5 Members could choose to amend the disaggregation dates for Apprenticeships (30 September 2024) and Adults Urgent Care Team (30 September 2024).

4. Conclusion and reasons for recommendations

- 4.1. Agreement has been reached by the Joint Officer Board to:
- Agree to extend the IAA provisions in relation to the Payroll and HR Admin functions to expire July 2025, rather than 31 March 2025 to ensure sufficient time to ensure permissions and access are appropriately disaggregated within iTrent and to ensure there is enough time for staff recruitment and resilience planning between Authorities.
 - Change the dates of disaggregation for Financial Systems to:

- Bring forward the date of disaggregation of Banking and Control to 31 December 2024 to enable each authority to develop staffing required to deliver this function,
- Retain the date of disaggregation of the Purchase to Pay and Accounts Receivable Team as the agreed date of 31 March 2025. The service is working towards this disaggregation date and no change is proposed.
- Extend the date of disaggregation of the Financial Systems Team that provides support to the E5 system to 31 March 2026 at the latest, in line with the separation of the system. The timeline for disaggregation of this team will be reviewed as the programme of work to disaggregate the systems develops.
- Move to long-term hosting for Comms Registration Service by Cumberland Council (commencing 1 April 2025) with an annual review of the arrangement.
- Move to long-term hosting for Historic Environment by Westmorland and Furness Council (commencing 1 April 2025) with an annual review of the arrangement.

4.2 Considerable progress has been made to prepare the services (Apprenticeships and Adults Urgent Care Team) for disaggregation on 30 September 2024. Staff engagement has taken place and service disaggregation is underway, therefore it is recommended that the disaggregation is progressed as planned.

Implications:

Contribution to the Council's Plan Priorities – The report sets out the proposals for disaggregation of hosted services following Local Government Reorganisation. Disaggregating the hosted services provides the opportunity for each council to deliver the services in a way that contributes towards each of their council plan priorities.

Relevant Risks – The following risks associated with the Joint Disaggregation Programme have been identified:

- There is a risk that there is insufficient officer capacity to deliver safe and legal disaggregation of services.
- There is a risk that the financial costs of disaggregation impact negatively on the financial plans of the two councils and the fire service.
- There is a risk of failure to recruit to key officer roles in sufficient time to ensure safe and legal disaggregation.

A risk register is maintained for each individual service disaggregation project, if there is a risk to delivery of the safe and legal disaggregation, the Senior Responsible Owner and relevant Programme Manager are responsible for escalating risks to the Joint Disaggregation Group, the Joint Officer Board and to the Joint Executive Committee.

Consultation / Engagement – Consultation with the Joint Officer Board took place to support the production of this report.

Legal – Under its terms of reference, the Joint Executive Committee is responsible for ensuring that there are robust plans for the disaggregation of services as and when required and that there is a smooth transition to separate or new arrangements.

Finance – None directly arising from this report.

Information Governance – There are no information governance implications arising from this report.

Impact Assessments – Individual Equality Impact Assessment screenings are being undertaken for service disaggregation projects.

Contact details:

Contact Officer: Jo Atkinson

Email: jo.atkinson@cumberland.gov.uk

Appendices attached to report:

None

Background papers: Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

None