

**NORTH LINCOLNSHIRE COUNCIL**

**CABINET**

**SHARED SERVICES, PROGRESS REPORT**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To note the successful implementation and ongoing development of the shared services programme between North Lincolnshire Council and North East Lincolnshire Council.
- 1.2 The key points are:
- Shared services officially went live on 1 April 2016 for Information and Communication Technology, Internal Audit, Human Resources, Finance and Legal Services.
  - All structures and staff in the five workstreams have been in place since 1 April 2016 as agreed following previous consideration by the Joint Committee for Shared Services and formal consultation with staff and trade unions.
  - Projected savings for the shared services programme remain on target. Monitoring systems are in place to ensure control and scrutiny of budgets and savings for the shared services.
  - Management and governance arrangements for shared services have been agreed.
  - The new Customer and Local Taxation & Benefits shared service in North and North East Lincolnshire went live July 2016
  - Positive internal (Internal Audit) and external (KPMG) validation has been received regarding the implementation of shared services.
  - A progress update was submitted to the DCLG regarding the Transformational Challenge Award allocation, which DCLG have accepted.
  - Positive discussions are now taking place with a view to the sharing of some operational services across our two Councils.

**2. BACKGROUND INFORMATION**

- 2.1 A programme plan of actions to implement shared services between North Lincolnshire Council and North East Lincolnshire Council has been successfully delivered for Information and Communication Technology, Internal Audit, Human Resources, Finance and Legal Services.

- 2.2 In addition to the services outlined in 2.1, Procurement and the Print Hub Plus+ services are now live and working jointly under the umbrella of 'Northern Lincolnshire Business Connect'.
- 2.3 Each of the above workstreams are implementing their business plans that set out in detail how they will deliver the shared service in their service area, ensuring 'business as usual' whilst delivering transformational change.
- 2.4 Arrangements are in place to oversee 'business as usual' and transformational change via a 'Shared Services Management Team (SSMT) comprised of managers from each of the services in 'Northern Lincolnshire Business Connect' and chaired by the Strategic Commissioning Lead – Shared Services and Commercial (NELC). Governance of 'Northern Lincolnshire Business Connect' will be via the Joint Officer Board and the Joint Committee.
- 2.5 Updates from the services outlined in 2.1 and 2.2 are set out in the following paragraphs.

## 2.6 **ICT**

- Joint ICT Service now well-established and working well
- Several changes and improvements have been made to the ICT Solution Centre operation resulting in a continued down-trend in terms of waiting times – further improvements including self-service password resetting will ensure further improvement
- Data centre consolidation to commence with the closure of data-centre facility at Thrunsoe (NELC) being relocated to Hewson House in Brigg early September
- Key documents being created that will detail the technology roadmap for the fundamental ICT infrastructure required for shared services, and how this is funded and sourced, which will feed the ICT programme of work required to deliver it – this will ensure the shared ICT service is built on solid foundations and meets the original business case
- As part of this a set of IT Technical Standards has been agreed by the Joint Committee for Shared Services. These show that a significant level of standardisation already exists
- The Joint Committee has also agreed to the creation of a Shared Information Governance function, located within IT
- Network consolidation being undertaken as part of the Yorkshire & Humber regional approach which will align suppliers and standards
- The service remains on track to meet savings as previously reported.

## 2.7 **Internal Audit, Risk and Insurance**

- The Audit team has implemented an integrated approach to the planning, carrying out and reporting of audits

- It is developing a common approach to the introduction of the updated Code of Governance at both Councils
- And is developing a common risk framework and risk register at both Councils with a planned implementation date of 31 March 2017
- Further integration of the insurance team building on the joint arrangements with East Riding of Yorkshire Council already in place
- Fraud team working to a pro-active anti-fraud programme with initial focus on council tax and non-domestic rates.

## 2.8 **Human Resources**

- Staff continue to collaborate/provide cover and work well together with a positive approach
- Agile working is being actively promoted/facilitated to align our service delivery
- Working groups continue to meet with new groups being established as and when the need arises
- Managers continue to encourage and promote cross working/team building and opportunities to share information (for example respective council policies and procedures can be accessed by all staff).
- The service has achieved its 2016/17 savings

## 2.9 **Finance (Accountancy)**

- Staff are integrating well into the shared service. An away day for all staff has been held with a second scheduled for September
- A number of developments have already happened to align processes and procedures with further developments planned
- A project to procure and implement a single financial management system for both councils has started
- The closure of accounts process, for both councils, has concluded by the end of September with unqualified audit opinions

## 2.10 **Legal Services**

- Proposed changes to operational practices that will deliver the efficiency target of £60k across the two councils are ongoing.
- The legal agreement for 'Northern Lincolnshire Business Connect' (NLBC) has now been signed.
- Legal advisors have been engaged to consider how NLBC can best take forward its commercial agenda.

## 2.11 **Local Taxation and Benefits/Customer Services**

- The new structure came into effect on 1<sup>st</sup> July 2016 across North and North East Lincolnshire Councils. Staff have been transferred across from Customer Services teams to Local Taxation and

Benefits and are undertaking appropriate training whilst delivering the new service, primarily digitally and over the telephone.

- Appointments are provided for customers identified as vulnerable by Customer Services Staff on the front line, who are responsible for assisting and signposting customers with their queries
- The opening 6 weeks of the transformation has proved very successful in terms of handling customer queries and providing relevant expert advice. Feedback from partner organisations and customers has been very positive and the LT&B and Customer Services Management Teams will brief members appropriately over the coming months.

## **2.12 Procurement**

- The newly structured service is now live, as agreed at the June Joint Committee.
- The team remain enthusiastic and energised as they settle into their new structure
- Work has started to review and align working practices to maintain consistency across the team and provide one offer across the service for both Councils.

## **2.13 Print Hub Plus+**

- New structure is published and has now been implemented
- Turnover is moderately promising considering budget constraints
- Turnover at NLC is stronger in spite of downward cost pressures
- MFD fleet reduction is on schedule at NELC

## **2.14 Future Shared Service Developments**

Officers, building on the existing positive relationships between the two Councils, have started early discussions regarding the potential for sharing of some operational frontline services, in the following areas:

- Waste, consideration is being given to:
  - sharing waste collection across boundaries
  - developing a joined up approach to trade and commercial waste
- Transport, consideration is being given to:
  - jointly commissioning our Fleet
  - aligning contracts to seek efficiencies
- Regulatory Services, consideration is being given to:
  - sharing and collaboration across all of these services, seeking to achieve resilience and efficiency of processes and systems

These are likely to be considered initially as 'pilot projects', ensuring that we start off safely and build up to more sharing and alignment of services as time progresses. Project plans and timelines are in the

process of being developed for the areas outlined above, with a view to providing options for change in the near future. This would also include the alignment of key systems and back office process across all of the above service areas.

A key area of concern for both Councils, is that of resilience. It is envisaged that sharing and aligning our services in these areas, as already evidenced by NLBC, will provide resilience and keep our Councils safe.

### **3. OPTIONS FOR CONSIDERATION**

3.1 There are no options to consider. However, this is an opportunity to note the successful implementation of the shared service programme and acknowledge the positive direction of travel during its first quarter of operating.

### **4. ANALYSIS OF OPTIONS**

4.1 This report provides a summary picture of the implementation of shared services and the creation of 'Northern Lincolnshire Business Connect'. It also provides assurance that the activities and plans for 'Northern Lincolnshire Business Connect' are on track.

### **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 'Northern Lincolnshire Business Connect' envisages joint savings of approximately £1.2m per annum with cumulative savings of £12.6m over a 10 year period, and it is still on track to meet this target.

5.2 Changes/proposed changes to team structures and staffing numbers were planned in the business cases to deliver the savings.

5.3 Staff at both councils will continue to populate existing buildings to similar levels as now, with an increase in agile working.

5.4 To facilitate joint working across the two councils, investment of £0.725m from the 'Transformation Challenge Award' of £1.9m has been assigned to standardise, join up and streamline existing IT infrastructures, as previously noted. Additionally the Human Resources and Finance workstreams include capital spend on back office systems to support the integration between the two councils. The remainder of the TCA award has been allocated to staff exit and programme costs.

6. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT**

6.1 An Integrated Impact Assessment for the shared services has been carried out and no adverse issues were highlighted. Potential impacts will continue to be explored and monitored.

7. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED**

7.1 Discussions have taken place with management, staff and trade unions at both councils.

7.2 Formal consultation at both councils has been completed following each council's procedures.

7.3 No conflicts of interest have been declared.

8. **RECOMMENDATIONS**

8.1 It is recommended that the successful implementation of shared services and the positive direction of travel of 'Northern Lincolnshire Business Connect' be noted.

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28 September 2016

**Background papers used in the preparation of this report – Nil**