

NORTH LINCOLNSHIRE COUNCIL/NORTH EAST LINCOLNSHIRE COUNCIL

**JOINT COMMITTEE FOR SHARED SERVICES
BETWEEN NORTH LINCOLNSHIRE AND NORTH
EAST LINCOLNSHIRE COUNCILS**

SHARED SERVICES; COMMISSIONED SERVICES BUSINESS PLAN

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider the Commissioned Services Business Plan for shared services 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
 - The services named above, along with the existing shared services of Local Taxation and Benefits, Procurement and Print Hub Plus+ are now under the collective name of 'Northern Lincolnshire Business Connect', as previously considered and agreed by the Joint Committee.
 - The Commissioned Services Business plan for 'Northern Lincolnshire Business Connect' is a high-level document outlining what the two councils have commissioned from the shared services operation, the services it offers, the principles it will apply and the approach it will take to achieve the outcomes of both councils. It is presented here for approval.

2. BACKGROUND INFORMATION

- 2.1 Shared Services went live on 1 April 2016 for Information and Communications Technology, Internal Audit, Human Resources, Finance and Legal Services. This adds to the existing shared services of Local Taxation and Benefits, Procurement and Print Hub Plus+. All are now under the collective name of 'Northern Lincolnshire Business Connect'.
- 2.2 It is important that the services provided by 'Northern Lincolnshire Business Connect' meet the needs and objectives of each council.

Many of these are similar, some are different: the shared services have been designed to standardise approaches wherever possible, but to meet differing needs where these exist.

2.3 The Commissioned Services Business plan for 'Northern Lincolnshire Business Connect' is a high-level document outlining what the two councils have commissioned from the shared services operation, the services it offers, the principles it will apply and the approach it will take to achieve the outcomes of both councils. It gives details of the services that will be supplied, with details of their costs, resources used, performance measures and a range of other supporting detail.

2.4 The Commissioned Services Business plan is a key document for the newly formed Shared Services, demonstrating how this significant service transformation initiative will meet its service delivery targets as well as achieving the financial savings expected by both councils. It also provides a basis for a continued commercial offer to a wider marketplace outside the two councils, supporting the viability of these 'in-house' services and enabling them to be self-sustaining into the future.

3. OPTIONS FOR CONSIDERATION

3.1 To consider and approve the 'Northern Lincolnshire Business Connect' Commissioned Services Business Plan.

3.2 To consider and amend or reject the 'Northern Lincolnshire Business Connect' Commissioned Services Business Plan.

4. ANALYSIS OF OPTIONS

4.1 The Commissioned Services Business Plan sets out the role 'Northern Lincolnshire Business Connect' will take with regards to service delivery, performance outcomes and the achievement of financial savings. It represents the culmination of a significant service transformation initiative. Its approval will endorse the work done to date and enable service delivery to take place under this new operating model and at significantly reduced cost.

4.2 To reject or amend the Commissioned Services Business Plan will result in delays to the operational preparations and planning and a subsequent delay in the implementation of the shared service model and its required outcomes.

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

5.1 The Commissioned Services Business Plan enables the financial targets set by each council to be achieved. It uses the team structures and staffing numbers previously approved by the Committee, or proposed for approval elsewhere on this agenda.

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

5.3 The Commissioned Services Business Plan proposes to maximise the use of existing IT systems, with changes and developments to take place in line with plans set out in earlier reports to this Committee.

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. Any subsequent changes brought about by the Commissioned Services Business Plan will be subject to Integrated Impact Assessments.

6.2 Potential impacts will continue to be explored and monitored by the 'Northern Lincolnshire Business Connect' Joint Officer Board via the risk register.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED

7.1 Discussions have taken place with management at both councils.

7.2 No conflicts of interest have been declared.

8. RECOMMENDATIONS

8.1 It is recommended that the 'Northern Lincolnshire Business Connect' Commissioned Services Business Plan is approved.

REPORT FROM THE SHARED SERVICES OFFICER BOARD

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Background papers used in the preparation of this report – Nil

Northern Lincolnshire Business Connect Commissioned Services Business Plan



2016/17

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Executive Summary

The Commissioned Services Business Plan summarises what North East Lincolnshire Council (NELC) and North Lincolnshire Council (NLC) have commissioned from the shared services operation. At NELC this will contribute to the council's strategic priority to *'be an effective and efficient council'*. At NLC it will contribute to the council's strategic priority to *'provide value for taxpayers' money'*.

The shared services model adopted and supported by NELC and NLC on 1 April 2016 under the brand name **'Northern Lincolnshire Business Connect'** (NLBC) supports these ambitions by creating a sustainable, flexible and expert support function to front line service delivery. This will free up front line resources to work more directly with businesses and communities to create the conditions that support the wider strategic aims of both councils.

Whilst NLBC has a longer term commitment to develop its commercial offer, the purpose of this document is to show the service offer that both councils have commissioned from the shared services to;

- help to meet the priorities set out in the strategic frameworks of NELC and NLC
- achieve better outcomes by asking if anyone is better off as a result of the actions taken and not just what has been done and how well it has been done
- develop a co-ordinated and integrated commissioning approach with key partners
- be able to respond to central government's agenda for local government
- be an enabler and facilitator as well as a provider

The Commissioned Services Business Plan confirms NLBC's commitment to working collaboratively, its service offer and expected outcomes, development plans and why current and future service users can work confidently with it.

Section 1 – Background and context

1.1 Vision

North East Lincolnshire Council (NELC) (*‘Stronger Economy and Stronger Communities’*) and North Lincolnshire Council (NLC) (*‘Aspiring People, Inspiring Places’*) both have priorities focussed on transformational change and supporting communities that are resourceful, resilient and able to do more for themselves.

NLBC will provide business partnering services to both councils to support a culture of evidence based decision making that will enable informed key decisions to deliver those priorities. They will use market intelligence, consult and engage with service users to understand their needs and where appropriate with external providers to access their specialist skills and knowledge. This approach to commissioned services will achieve the objectives of NLBC and the two councils by;

- the use of a toolkit following a standard ‘analyse, plan, do, review’ cycle
- having clear commissioning and governance procedures
- exploiting funding channels from all available sources
- establishing and maintaining good relationships, including financial relationships
- identifying service needs by ensuring a systematic approach to the appraisal of those needs
- setting clear outcomes and evaluation methods
- ensuring good planning, the optimum level of resources and effective communication
- benchmarking against service specific organisations (SOCITM, CIPFA etc.) and other service providers
- ensuring a culture of continuous learning and development

Under the overarching NLBC brand are the individual service products;

- The HR People
- The Finance Partners
- The Assurance People
- The Legal People
- IT Enablers
- The Procurement People
- The Print & Design People
- Local Taxation & Benefits

1.2 NLBC; The journey so far

NELC and NLC have a successful history of joint working and shared services, principally with each other and the East Riding of Yorkshire Council including:

- Local Taxation and Benefits - (NELC/NLC)
- Procurement - (NELC/NLC)
- Museum and Cultural Services - (NELC/NLC)
- Insurance services - (NELC/NLC/ERYC)

The success of the existing shared arrangements – in particular the Local Taxation and Benefits shared service – resulted in initial discussions regarding the pursuit of larger scale shared services to enable transformational change and to contribute to the strategic aims of both councils.

The following summarises the subsequent actions that led to the creation of NLBC;

- **July 2014** – cabinets approve in principle the development of a shared services ‘back office hub’ of HR, Finance, Audit, ICT and Legal Services and to submit a bid to the DCLG Transformation Challenge Award (TCA)
- **Aug 2014** - Project Initiation Document completed for shared services
- **Sept 2014** - joint bid submitted to the DCLG for £1.9m of TCA funds. Programme board and workstream leads meetings set up to oversee the development and governance of the implementation of shared services.
- **Nov 2014** – confirmation of TCA award of £1.9m. Workstream leads develop ‘Vision’ documents for each service.
- **Dec 2014/Jan 2015** – cabinets at both councils approve shared services. KPMG engaged to provide external sense-check to the shared services programme.
- **Feb–May 2015** – business cases, Memorandum of understanding, integrated impact assessments and project plans developed
- **May–Dec 2015** – consultation and recruitment exercises
- **Oct 2015** – Joint Committee of cabinet members from both councils set up to oversee shared services
- **Nov 2015** – business cases developed to restructure Local Taxation & Benefits/Customer Services, Procurement and print services by July 2016.
- **1 April 2016** – shared services for HR, ICT, Legal, Accountancy and Audit went live under the brand name of ‘Northern Lincolnshire Business Connect’. A legal agreement was signed to underpin the activities of NLBC.
- **July 2016 onwards** – develop commercial offer and phase 3 proposals

1.3 NLBC Operating Model

NLBC is responsible for a range of functions that are critical to both councils’ ability to operate efficiently and effectively. The services provided by NLBC are used by a wide range of internal and external stakeholders. The operating model adopted and being developed by NLBC has;

- defined shared services bound by a legal agreement
- centres of excellence in each service - headed by Strategic Leads - with clear service offers providing business partnering to a wide variety of stakeholders
- an agile, skilled, flexible and resilient workforce across a number of sites, with clear functions, roles and responsibilities
- scalability and the potential to respond to further integration opportunities with other public/voluntary/private sector organisations
- an empowered management team who have operational accountability for their individual services and strategic responsibilities for NLBC as a whole
- a commitment to ensuring the right resources are in place and employees have the right skills and opportunities through structured training and development
- flexibility of resources to mitigate the risk of ‘demand surge’ and in the future to take advantage of commercial opportunities
- sound governance, decision-making and reporting arrangements
- defined key performance indicators following an outcome based accountability model (‘what difference does it make?’) that determines whether the service user is better off
- branding that will be recognisable and commercially advantageous
- a culture that is defined, developed and that supports the objectives of NLBC and both councils

See Appendix 1. NLBC Operating Model

1.4 Governance

Governance of NLBC, its development, activities and decision-making is seen as a key element to its success. It also gives assurance to stakeholders – in particular service-users - that 'business as usual' is being supported and delivered and that decisions regarding commissioning are being given appropriate scrutiny by the right decision-makers at the right time.

See Appendix 2. NLBC Governance Arrangements

1.5 Reporting requirements and management information

In line with both councils, NLBC has changed from its approach of reporting activity i.e. how much, how often, to a focus on measuring and understanding the impact of what it does i.e. what difference does it make?

NLBC is committed to customer service excellence and both councils can be assured that service standards and systems are in place to;

- monitor and improve performance
- provide accurate and timely management information
- identify and mitigate risk
- identify opportunities
- monitor and evaluate outcomes

Reporting requirements currently differ in frequency, timing and documentation format across the two councils. Wherever possible, NLBC will simplify the process to;

- enable transparency and consistency
- support and satisfy customer requirements
- avoid duplication
- facilitate sound decision making
- ensure proper scrutiny and monitoring

2. High-level objectives for NLBC

NLBC commenced in April 2016 as phase 2 of a 3 phase transformational strategy for sharing services. The financial objective is to achieve combined savings for both councils of £12.6m over a 10 year period. The savings result from a joint investment of £2.5m of which £1.9m is provided via the TCA award.

By sharing skills/staff/assets/knowledge, NLBC have created centres of expertise, increased resilience and enabled future expansion and commercial development. The objectives of NLBC are to;

- build on previous partnership working to ensure 'business as usual' with the greater aspiration to improve services to customers while achieving both councils' budget reduction targets
- embed the commissioning model
- explore and implement further transformational opportunities
- maximise available resources through radical service delivery models to enable the protection of front-line services
- identify opportunities for collaboration with partners and address the implications of greater integrated working
- establish and market the NLBC brand
- be self-sustaining by developing commercial opportunities and generating income

To enable NLBC to meet their objectives each of the services in NLBC have created their own plans. These are summarised in the following sections.

2.1 High-level plans for The HR People

The vision of The HR People is to:

- operate as an integrated service with standardised systems and processes that utilises best practice across both councils whilst recognising differing customer needs.
- align the current service centre delivery model which will enable budget savings to be made by reducing the administrative burden, maintaining a strong and established advisory role and reallocate resources to facilitate greater capacity at the strategic level.
- optimise core specialisms whilst providing economies of scale and sufficient resources within the service to meet the needs of both councils.
- support the control of the organisational pay bill, reserves i.e. redundancy and demand management. To reduce cost by the prevention of litigation through effective HR, training and H&S activity.
- support and enable employees, managers and leaders to deliver corporate strategies through robust and effective HR strategies, policies, systems and frameworks that meet the needs of both Councils.
- operate a single HR self-service facility and customer service management system that supports the needs and demands of both Councils
- have an overarching integrated HR/Payroll system with streamlined processes to increase efficiencies
- achieve commercial expansion across boundaries with a single HR commercial offer

- have a common set of performance standards, with challenging but achievable targets which will maintain and improve performance in each of its areas

2.2 High-level plans for The Finance Partners

The Finance Partners will integrate the financial ledger across NELC and NLC by 2018, with systems and processes as fully aligned as possible across both authorities.

The Finance Partners will also standardise across the two councils;

- financial procedures
- systems and processes where possible and most efficient
- approval limits
- closedown processes
- chart of accounts
- budget setting
- accounting policies
- statutory and management financial reporting
- budget setting and appraisal process for both revenue and capital
- performance indicators

2.3 High-level plans for The Assurance People

The Assurance People will;

- carry out audit planning for the shared services in NLBC, which constitute a substantial part of the audit plan
- implement a combined risk system by April 2017, following the agreement of a common risk framework
- develop a common approach to the audit of financial systems
- develop a common approach to the governance framework of both councils and the Annual Governance Statement in 2016/17 to reflect the changes to the national guidance that are operative from April 2016. This will involve a common approach to audit evidence to provide assurance on the statement.
- utilise a standard audit reporting template at both councils to enhance consistency
- share audit plans within the team from across both councils to identify areas of commonality and promote good practice
- implement common performance indicators
- develop anti-fraud work programmes for both council and explore opportunities to integrate counter fraud strategies across both councils
- June 2016 - March 2017; following consultation with the leadership groups and audit committees at both councils, agree common risk and audit opinion scoring methodologies as well as common audit reporting methodologies

2.4 High-level plans for The Legal People

The Legal People will;

- integrate the Legal service based on two sites led by a joint Head of Legal Services by April 2017
- ensure compliance with relevant legislation and legal vehicles across both Councils
- develop common professional practice standards and utilise and build on best practise from each Legal department, thereby enhancing Legal service support across both units where these do not already exist
- share staff, knowledge, skills and other resources where appropriate to increase resilience
- align use of the case management software (IKEN) used by both units
- reduce spend on external legal support through joint working
- continue to focus on the specific needs of each council
- build capacity around products and services
- enable a more flexible and agile service, which is innovative, resilient and able to work in new and smarter ways

2.5 High-level plans for IT Enablers

IT Enablers will;

- review ICT related contracts for both NLC and NELC and align where and when appropriate
- assign key leads for each procurement to deliver the NLBC procurement plan
- review the use of a common set of collaborative ICT tools to promote innovation, enable consistency and ensure value for money including the integration of data centres/Wi-Fi infrastructure/server infrastructure/ mobile and laptop contracts
- integrate the NLC/NELC telephone infrastructure, having one common four-digit dial plan, one shared directory and rationalising existing numbers
- implement a common Electronic Document & Records Management System (EDRMS)
- introduce a common web platform
- support a programme of the review of all applications utilised by NLBC and support technological developments planned by all its customers

2.6 High-level plans for The Procurement People

The specific outcomes sought from the original shared procurement service (PANNEL) included:

- improved savings through economies of scale and joint procurement
- streamlined and joint processes and systems
- streamlined and joint policy and governance frameworks
- improved resilience and business continuity capabilities
- shared skills, expertise and learning
- improved staff development and retention

The enhanced vision for The Procurement People widens and extends the previously agreed outcomes to:

- build on the success and significant progress made over the last 10 years
- engender a true “one team - one service” ethos
- rebrand from PANNEL to The Procurement People in line with the commercial sub-branding model attached to NLBC

- embed category management as a business partnering based functional delivery model
- enhance commercial trading capabilities to provide investment in skills, training and additional capacity
- improve linkages with commissioning strategy, initiatives and programmes

2.7 High-level plans for The Print & Design People

The recent reorganisation of corporate functions alongside the wider NELC/NLC shared services programme have presented opportunities to review and re-launch the Print Hub Plus+ shared service. Accordingly an enhanced vision has been produced, informed by the strategic objectives of the wider programme to:

- rebrand as The Print & Design People in line with the sub-branding strategy for NLBC
- build on the success and significant progress made over the last 18 months
- integrate the graphics design and publications functions at both councils within the scope of the service to widen the service offer and enhance outcomes
- further develop commercial income streams across the wider Lincolnshire area under the NLBC umbrella
- develop the business into new areas such as digital design and photography
- strategically influence existing communications functions, offering advice on policies that drive the corporate style, social media and web communications
- reduce design lead-time bottlenecks within the graphic design function
- develop a business partnering ethos as a relationship model
- embed category management principles for print and design
- seek to integrate the localised “print on demand” strategies across the devolved multi-functional device/photocopier estate where possible as a demand management/value for money measure
- harmonise pay and conditions in line with the shared services protocol

2.8 High-level plans for Local Taxation & Benefits

A three year service plan for LT & B is currently being finalised

Key actions and challenges for the 2016/17 year are;

- wider shared service implementation to incorporate customer contact
- a review of Council Tax Reduction and other Council Tax empty discounts
- wider implementation of Universal Credit
- migration to new document management system
- implementation of Risk Based Verification
- implementation of the Print Post project
- assist with embedding the corporate fraud function

Section 3 - Service offers

The following section summarises each of the services that make up NLBC, their service offer. For the key outcomes of each service, see **Appendix 3. NLBC Key outcomes**.

3.1 The HR People

The HR People operate a professional, innovative and cost effective 'Service Centre Delivery Model', comprised of an HR Advisory Centre, Business Partners, Centres of Expertise (organisational and commercial development, occupational health and safety, governance including payroll, systems and pensions services) and leadership provided by the Human Resources Leadership Team.

The model has five key attributes for success:

1. Strategic organisational & customer focus
2. Consultancy capability
3. Commercial & financial acumen
4. Influence & impact
5. Analytical ability

The HR People work collaboratively with clients to deliver the best results for each organisation through sound people management approaches and decisions. HR provide support to improve service continuity, ensuring compliance with relevant legislation and prevention of litigation

Service offer; The HR People

HR Business Partners support and advise on:

- organisational change
- employee relations
- complex case investigation and resolution
- employment law
- procedure review
- negotiations and consultation
- counselling and welfare
- job evaluation
- service reviews
- coaching and mediation
- commercial delivery and schools support
- communication of HR initiatives, policies and procedures
- the use of organisational insight to drive change in people management practice
- trends in employee behaviour and engagement

HR Advisory Centre

The HR advisory centre is at the heart of the HR service centre delivery model and is the key to its success. It is focused on end-user experience and its role includes;

- all elements of recruitment
- HR records maintenance and administration
- employee rewards and benefits
- pension policy and administration

- integrated HR/Payroll systems administration and development
- Disclosure and Barring Service advice
- dedicated HR support desk
- ensuring data quality, with harmonised not customised systems and processes
- channel migration

Payroll Services

- a dedicated and customer focussed service that works closely with all areas of the HR function
- provision of advice on all elements of payment and payroll
- calculation of sickness, maternity/paternity pay
- liaison with HMRC and LGPS
- record maintenance and administration
- sundry debtor invoices
- third party claims

HR Centres of Expertise:

Occupational Health & Safety (OHS)

- provision of advice, guidance and support,
- occupational health services
- occupational health and safety management system
- inspection and reports
- health & safety training provision
- accident investigation services
- risk assessment support services
- measurement & sampling services
- internal OHS audits
- commercial activity
- support employees to understand and meet their health and safety responsibilities

Learning and Development

- responsible for workforce strategy
- leadership and management development (Institute of Leadership and Management)
- corporate training programme
- e-learning
- coaching and mentoring
- work-based placements (general, graduate, interns)
- apprenticeship programme
- employee review and development
- marketing, commercial development and delivery,
- Children's Workforce Development,
- LSCB and Member training.

3.2 The Finance Partners

The Finance Partners will enable NELC and NLC to achieve the level of savings that are factored into their respective medium term financial plans.

They will do this by increasing the resilience of the finance operation as a whole and by enabling a 'learn once, apply twice' approach to many initiatives e.g. Care Act, Treasury Management, Business Rates Retention, financial strategy, systems development and accounting requirements.

Efficiencies are also expected in the transactional elements of the service with one team delivering Accounts Payable, Accounts Receivable and other financial transaction processing e.g. journals, through a shared service desk operation.

The Finance Partners will be managed across the whole service to maximise efficiency and deal with fluctuating demand across the year.

Service offer; The Finance Partners

Financial reporting and accounting

- financial accounting and annual accounts
- financial systems
- financial procedures
- capital accounting
- budget strategy
- revenue/capital budgeting
- prudential indicators
- minimum revenue provision
- treasury management
- VAT and other taxation

Service desk

- transactional services
- accounts receivable
- accounts payable
- journals
- budget transfers
- advice on financial process and procedures

Business partnering

- budget monitoring – revenue and capita
- grants and grant returns
- professional advice, support and guidance
- budget setting
- project, board, programme support
- business development
- income generation
- focus on schools, voluntary sector
- systems set up and periodic processes
- annual accounts
- income management
- balance sheet and bank reconciliations
- financial procedure rules and regulations, including delegated approvals etc.
- medium Term Financial Planning
- statutory returns, including RO/RA/s251 etc.
- commercial arrangements
- partnerships
- creditor/debtor management

3.3 The Assurance People

The Assurance People team plan and deliver Audit, Risk, Insurance and Fraud services, led by a Head of Service, supported by Audit strategic leads and other specialists who will have cross-cutting roles throughout the whole of NLBC.

Shared insurance arrangements between NLBC and East Riding of Yorkshire Council will continue. Governance arrangements are set out in the Memorandum of Understanding underpinning the shared insurance management arrangements. The management group is comprised of the Head of Internal Audit at each of the three councils who report to their respective CFOs. In addition NELC and NLC now have the same claims handler via Zurich and are currently going out to tender for a common broker.

Service offer; The Assurance People

Audit

- professionally qualified and experienced staff providing Public Sector Internal Audit Standards (PSIAS) compliant risk based audits, controls, advice and governance support to both councils
- audits of fundamental financial systems, ICT and operational procedures
- standardised audit approaches and the use of the same auditors on assignments at both councils
- support, promote and advise on risk management frameworks and governance
- compilation of risk registers using risk management framework
- risk management advice on strategic projects and initiatives
- training
- reviews and outcome analysis
- Audit can also provide consultancy work and financial advice on request.

Counter Fraud team

- design and implement strategies and processes in accordance with professional best practice and tailored to each client's needs
- covers all types of fraud and will ensure awareness, prevention, detection and deterrence
- will carry out proactive and reactive work to evaluate the adequacy of arrangements to manage the risk of fraud
- activities cover corporate fraud

Insurance service

- arranging and negotiating appropriate insurance cover
- control of all claims made against the insurance policies
- administration of insurance portfolios
- processing of claims in accordance with statutory deadlines
- the provision of insurance advice
- defence of claims
- insurance risk management measures to reduce claims history

3.4 The Legal People

The Legal People provide comprehensive legal advice and governance support across the whole range of functions and responsibilities. The vision for the service is a scalable commercial model capable of providing services to a wider customer base without impacting detrimentally on service levels and opportunities to improve service levels.

Service offer; The Legal People

- qualified and experienced legal practitioners ensure organisations act within the law and minimise legal challenge
- Principal solicitors/specialists in;
 - Adult Social Care
 - Child Care
 - Planning and Environment
 - Litigation and Employment issues
 - Commercial, contracts and agreements
 - Licensing
 - Highways and Planning
 - Property
 - Education related law and general legal advice
- bespoke management information via the IKEN case management system
- telephone advice availability; 9am to 5pm, Mon to Fri.

3.5 IT Enablers

IT Enablers are structured around four main functions (ICT Business and Governance, ICT Transformation, ICT Business Systems and Support, ICT Communication and Facilities) led by an ICT Group Manager and a Head of ICT (Delivery). NELC and NLC have agreed a joint ICT strategy through IT Enablers that will support the business transformation objectives of both councils. The joint ICT strategy recognises that ICT is one of the main enablers of transformational change and emphasis is therefore focussed on identifying, designing, building and deploying ICT solutions that underpin;

- a more mobile workforce
- increased partnering and the ability to work more effectively with our partners across the public, private and voluntary sectors
- an increase in focus on commercial activity
- a commitment to explore and exploit new and emerging technology
- customer channel shift to effective digital services
- improved performance reporting
- reliability, security and compliance
- the focus of service delivery around the customer (whether it be 'citizen' or 'business' or 'visitor')
- robust ICT governance that ensures high quality investment decisions, standards, business processes and policies related to technology

Service offer; IT Enablers

ICT Business and Governance

- ICT strategy/vision/policies
- performance management
- financial management
- commercial ICT development
- business continuity
- risk management
- ICT procurement/contract management and alignment
- Freedom of Information requests
- Demand and IT asset management

ICT Transformation

- ICT business partnering
- ICT planning
- ICT programme/project management
- Transformation/improvement
- ICT and digital research and innovation
- digital technologies
- web development

ICT Business Systems and Support

- technical/desktop and remote support
- ICT Solution Centre operate a single service window, 08:00 – 17:00, Monday to Friday.
- Call management via Microsoft Service Manager
- self-help development and self-service via TOPdesk
- ICT change management
- disaster recovery planning/facilities
- business application support
- MFD print management
- technical innovation
- out of hours support

ICT Communication and Facilities

- ICT infrastructure management, development and support
- wireless/mobile facilities
- voice/UC facilities
- agile working
- e-mail/messaging
- IT security
- data centre/storage facilities
- hosting/cloud

3.6 The Print & Design People

The Print & Design People was originally launched as 'Print Hub Plus+' as a collaborative printing service on 1 October 2014. Its primary aim was to deliver and develop a wide range of print and design facilities to both authorities and build on the significant external client base previously developed. An enhanced vision has been produced and launched in July 2016, informed by the strategic objectives of NLBC that will:

- build on the success and significant progress made since October 2014
- integrate the graphics design and publications functions at both councils within the scope of the service to widen the service offer and enhance outcomes
- further develop commercial income streams across the wider Lincolnshire area under the 'Northern Lincolnshire Business Direct' umbrella
- develop the business into new areas such as design and photography
- strategically influence existing communications functions, offering advice on policies that drive the corporate style, social media and web communications
- reduce design lead-time bottlenecks within the graphic design function
- develop a business partnering ethos as a relationship model
- embed category management principles for print and design
- seek to integrate the localised "print on demand" strategies across the devolved multi-functional device/photocopier estate where possible as a demand management/value for money measure

Service offer; The Print & Design People

- integrated print operations across Scunthorpe & Grimsby sites
- printing of employee payslips
- A Single Price Tariff for both councils
- self-service Print option via TOPdesk
- single back office processes spanning both councils
- graphic design and advice services
- publication design and production services
- communications, branding and marketing support services
- digital printing services
- digital scanning services
- specialist printing, document production, management and allied services
- print management and advice services
- external design and print provider management services
- promotional goods and items
- commercial design and print services
- print strategy and policy
- print facilities and resource management

3.7 The Procurement People

The Procurement People has shaped its operations around a modern commercial category management model. Strategic Category Leads and Senior Category Specialists are now managing portfolios of procurements across both councils in common areas such as transport, fleet, agency staff and office solutions.

The focus of the new vision (see 2.6 above) is to ensure that the procurement service continues to deliver best practice supporting the delivery of significant cash-releasing savings from a combined annual procurement spend of £260m.

Service offer; The Procurement People

- procurement strategy, policy development, compliance and governance
- procurement advice and guidance
- EU managed procurement services
- sub EU managed procurement services
- category management
- provision of commercial procurement services
- procurement training and consultancy
- supplier engagement and development
- procurement systems management and administration
- corporate contract management
- provision of procurement systems and tools
- training and advice
- strategic commissioning support
- strategic cost reduction and value for money
- social value development including local supplier support and development

3.8 Local Taxation & Benefits (LT & B)

LT & B have operated a shared service since 2012. Cross site working between the two councils has enabled a greater amount of control over output, performance, levels of outstanding work, peaks and troughs in workloads and staffing. Good council tax and NNDR (Business Rates) collection practices across the shared service have achieved a reduction in the volume of reminders and summonses being sent. Use of electronic forms will continue to increase as part of the ongoing reshape of front end service provision. Additional work is ongoing between LT & B and customer services at both councils. The aim is to support customers with digital access and generally to ensure the most efficient channel for contacting the councils as per the service delivery model, redesigned in 2016.

Service offer; Local Taxation & Benefits

- established and experienced shared LT & B service
- specialist LT & B staff who assess and process claims, manage debt recovery and resolve complex case queries
- integrated, customer-focused, 'digital first' service, using self-service channels
- systems design and control
- management of the Council Tax/NNDR billing and collection function
- debt management and recovery
- direct debits and payment handling
- information and advice to customers
- specialist face-to-face appointments in frontline settings for vulnerable clients and complex cases
- scanning and indexing facilities
- specialist training and development

Section 4 – Budgets

The high-level financial aims of NLBC are outlined in 2 above. However, they should be seen in the context of wider financial pressures on both councils and other internal and external challenges and commercial opportunities outlined in 6.1 below.

4.1 Financial principles

A set of general financial principles have been agreed by both councils for NLBC including;

- open book accounting that enables the sharing of information
- cost/income apportionment based on service received/provided where practicable and settled annually to reduce administration
- agreed change control methodology to deal with unplanned consequences

4.2 NLBC savings targets

The financial objective of NLBC is to achieve combined savings for both councils of £12.6m over a 10 year period. Table 1 below shows the target savings for each service at NELC and NLC.

Table 1. NLBC savings target

Service	NELC target	NLC target
The HR People	300,000	116,000
The Legal People	40,000	20,000
The Assurance People	50,000	41,000
The Finance Partners	275,000	325,000
IT Enablers	360,000	264,000
Other	75,000	-
Total	1,100,000	766,000

4.3 Financial monitoring and reporting arrangements

NLBC Accountancy will monitor on a regular basis all budgets across the two councils, NLBC budgets, the TCA budget, savings targets and other key financial aspects including shared costs vs budgets, activity unit costs, sensitivities and trigger points. Quarterly performance reports will be submitted to the NLBC Officer Board and the NLBC Joint Committee which will include current NLBC budgetary and savings positions.

Reporting arrangements for future additions or changes to NLBC commissioned services will be agreed on a case by case basis, with the overall aims to be customer focussed, meaningful and easy to understand, timely and efficient to produce.

Section 5 - Organisational Development Strategy for NLBC

To successfully deliver its objectives and the wider outcomes of both councils, NLBC is committed to ensuring that it has the right skills, culture and resources. To ensure this NLBC will;

- ensure ongoing talent management and workforce planning via a defined programme
- continually assess and develop the skills and competencies required, both generic (i.e. leadership, project management, communication, stakeholder engagement, commercial awareness/skills, gathering and management of data/intelligence, relationship management and governance etc.) or specific technical skills to support business partnering and the commissioning process
- commit to continuous improvement through the training and development of its staff, continuous review and challenge of its processes and procedures and by learning from the review of each project/programme it is involved with
- ensure and continuously develop culture that is open, transparent, innovative, empowering and supportive
- foster clear links between the outcomes frameworks of both councils and the resources available to achieve them
- put new staff through the induction programme
- empower staff in a structured way that controls risk

Section 6 – Target outcomes for 2016/17 to 2019/20

6.1 Challenges, risks and opportunities

There are a number of internal and external challenges, risks and opportunities facing the two councils over the next few years that raise the question about what services are provided, to who and how they are funded. NLBC will ensure that the work they do contributes to meeting those challenges. Some of the challenges are;

- there have been substantial reductions in government funding to councils for a number of years and this trend is set to continue for the foreseeable future.
- both councils have committed to delivering a balanced budget whilst delivering challenging outcomes
- current financial planning assumptions indicate that the budget gap in NELC will be £13.7m in 2017/18, rising to £21.6m in 2018/19.
- a 'vision' to streamline processes, existing and new contracts and ICT systems where possible
- the devolution agenda to bring about the redistribution of power and funding from national to local government is already underway. A number of devolution deals have already been agreed to date between the Government and local areas.
- proposed changes to the system of Business Rates

Over the next few years, NLBC will change, review, adopt and adapt the services it provides and the way it provides them. It will define and embed a culture of creativity and innovation and seek out commercial opportunities including sharing other services between NLC and NELC (and possibly others) to sell and buy its services to meet its own objectives and contribute to the wider objectives of both councils.

The NLBC Officer Board will develop commercial aspirations, commercial targets and potential funding streams in 2016/17.

Section 7 – Stakeholder engagement

Within the commissioning framework NLBC apply the following principles and expectations;

- all in-scope service offers have "business partnering" as an underpinning relationship model
- all NLBC senior officers will manage relationships with partners
- 'nominated officers' (see **Appendix 4; nominated officers**) will act as the central point of contact between NLBC and the partner, create/collate the overall requirements and key deliverables, manage performance of the key outcomes and take the role of liaison between decision-makers, strategic leads and 'in house' specialist technical support (ICT, HR, Legal etc.)

Liaison with stakeholders involves a range of roles including consultation over service design, contract negotiation and agreement, issue resolution, outcomes reporting, service delivery options and evaluation.

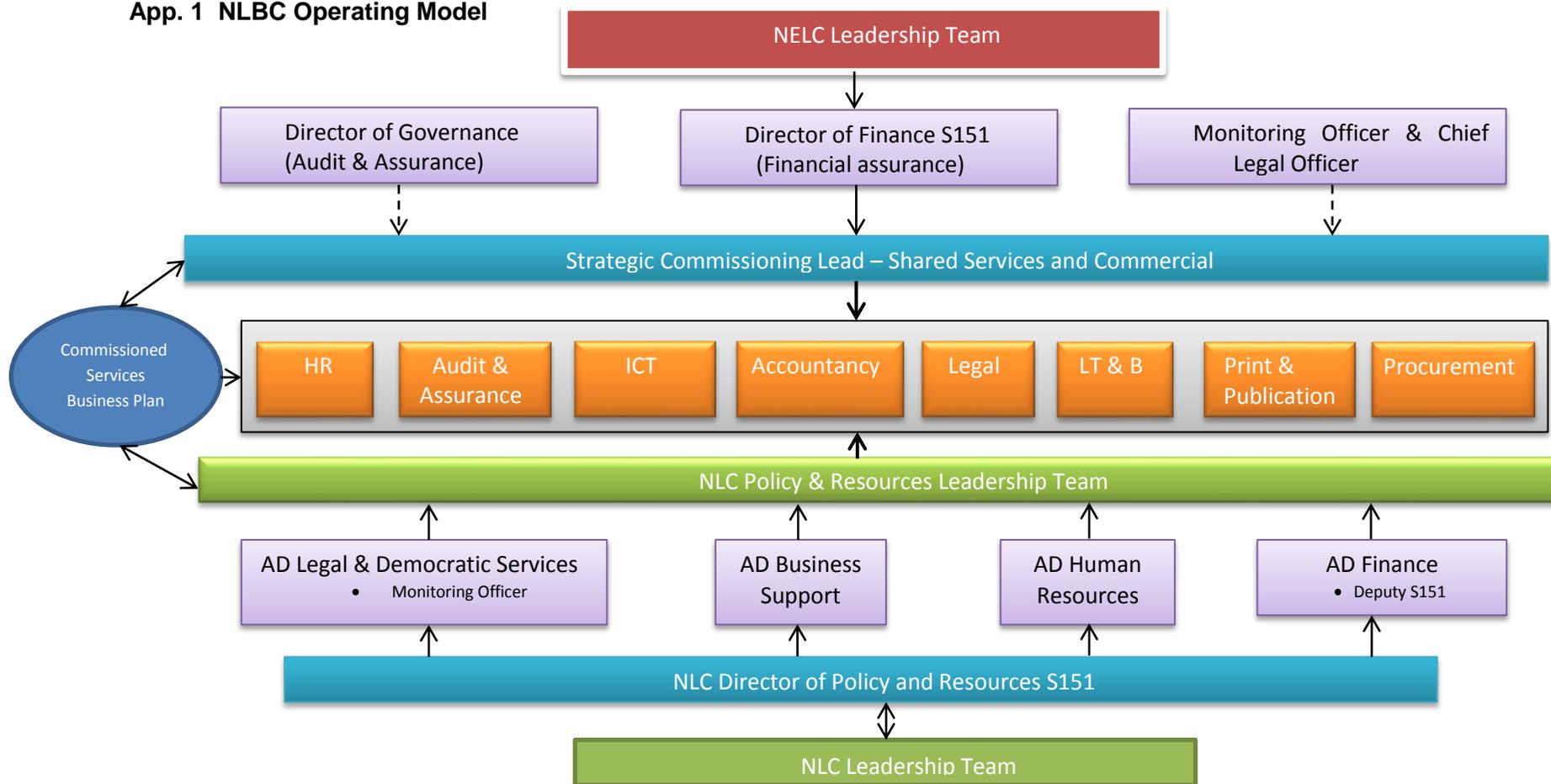
The individuals and groups involved will be expected to work together to plan and deliver the best outcomes. It is important that the commissioning group understands, shares, and works according to good commissioning principles and is focused on achieving better outcomes. This will require meaningful, planned and regular communication between all stakeholders. Communication will be via a channel mix of traditional and digital platforms to internal and external stakeholders, to enable efficient and timely gathering and dissemination of information.

Section 8 - Review of this document

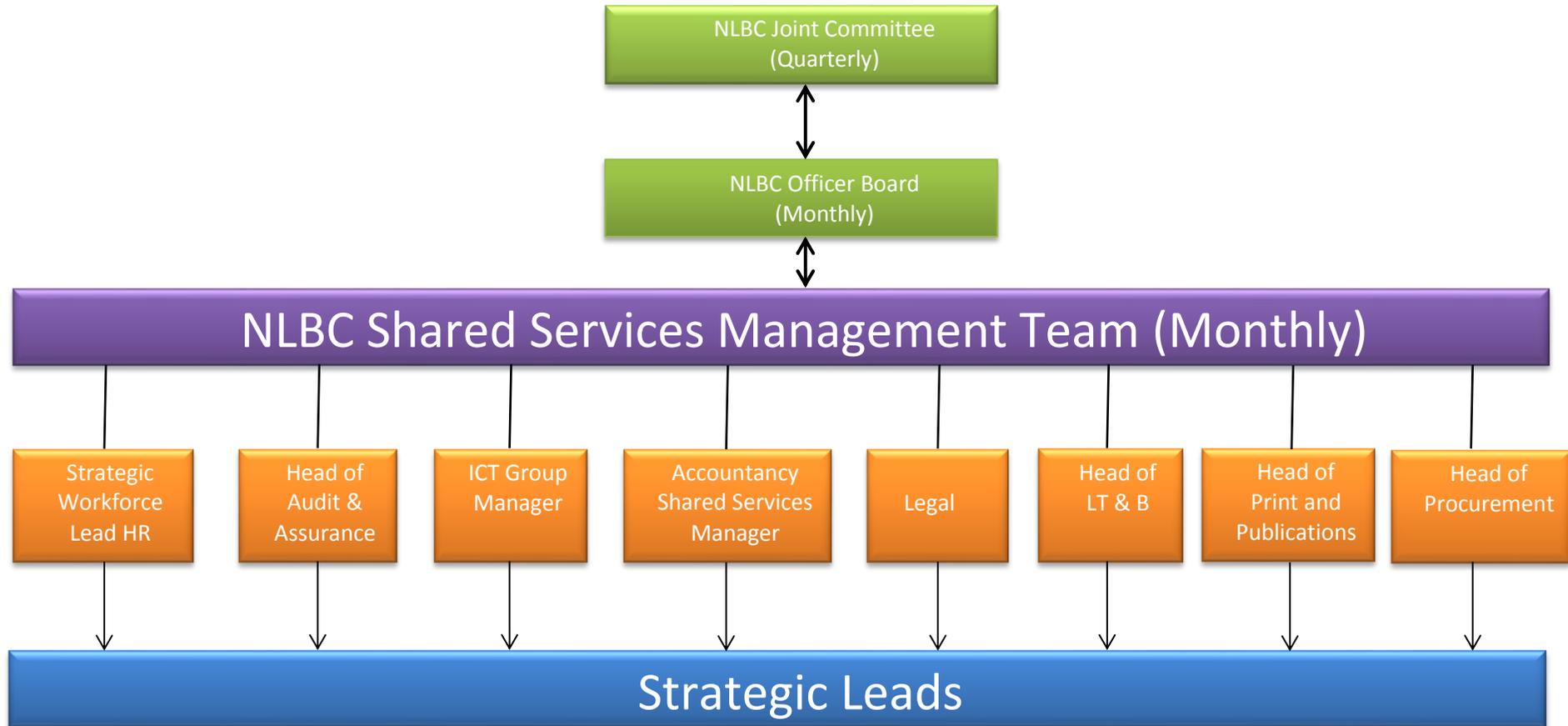
The NLBC Commissioned Services Business Plan will be monitored quarterly as a working document by the NLBC Officer Board and SSMT. It will also be reviewed annually by the NLBC Officer Board, the SSMT and where appropriate will involve stakeholders to ensure that needs continue to be met and outcomes are achieved. The review will include the;

- suite of outcomes
- budget and income targets/commercial income
- horizon scanning to identify future challenges
- staff competencies, training and development
- service offers
- learning points from each commission

App. 1 NLBC Operating Model



App. 2 NLBC Governance arrangements



App 3. NLBC Outcomes

Service	Outcomes
The HR People	<ul style="list-style-type: none"> • Reduction in over and under payments • Reduction in time taken from receipt of advert to start date in post • Reduction in litigation, employment claims& enforcement action • Reduction in accidents/incidents reported • Reduction in severity of accidents/incidents (RIDDOR) • Reduction in working days lost to sickness absence • Increase in channel migration to TOPdesk • Improved customer satisfaction • Reduction in formal employee relations cases (disciplinarys per 1000 employees)
The Finance Partners	<ul style="list-style-type: none"> • Deliver Final Accounts for both councils within statutory deadlines and which receive an unqualified opinion from External Audit • Produce balanced budgets for both councils within statutory and council deadlines including the elements required by statute • Facilitate processes that allow prompt and accurate budget monitoring and control • Facilitate processes that ensure prompt payment of invoices • Maximise income received against Sundry Debtor Invoices • Produce four year budgets for both councils • Develop a joint Treasury Management function for both councils ensuring security and liquidity • Ensure adequate financial controls are in place to minimise the potential for fraud • Seek additional Commercial opportunities • Implement Topdesk at both Councils
The Assurance People	<p>Audit</p> <ul style="list-style-type: none"> • Quarterly report summarising the outcome of audit work • Customer satisfaction survey-“did the audit add value” (NELC) • Customer satisfaction survey-“did the audit add value” (NLC)

	<ul style="list-style-type: none"> • % of recommendations implemented (NELC) • % of recommendations implemented (NLC) <p>Fraud</p> <ul style="list-style-type: none"> • Potential savings identified (NELC) • Potential savings identified (NLC) • Additional income identified for collection (NELC) – increases in tax base • Additional income identified for collection (NLC) • Fraud prevention measures being considered and implemented within services <p>Insurance</p> <ul style="list-style-type: none"> • % of liability claims successfully repudiated • % of property claims settled to departments within 2 months of conclusion • % Reduction in complaints made by the public to the council about decisions regarding liability and motor TP claims
The Legal People	<ul style="list-style-type: none"> • No costs award made against the council • No judicial reviews lodged against council decisions • All prosecutions lodged in accordance with statutory timescales • Enhanced practice reputation before the Courts • Increased income generation for commercial searches
IT Enablers	<ul style="list-style-type: none"> • Availability of key applications – Email/messaging • Availability of key applications – Finance systems • Availability of key applications – HR • Availability of key applications – Payroll • Availability of key applications – Websites • Availability of key applications – Children/Adult Services • Availability of key applications – Telephony • Availability of key applications – Internet connectivity • Core data network availability • Availability of council websites and self-service tools • PSN CoCo Compliance



	<ul style="list-style-type: none"> • No external data breaches
The Procurement People	<ul style="list-style-type: none"> • Value of procurement savings • Local supplier spend • SME spend • No formal legal challenges • Positive audit assurance • Customer satisfaction
The Print & Design People	<ul style="list-style-type: none"> • Income generated – internal • Income generated – external • Customer satisfaction – Print • Customer satisfaction – Design
Local Taxation & Benefits	<ul style="list-style-type: none"> • 24/7 access to online LT&B forms for customers to complete at their convenience • Increased self-service access points • Reduced waiting times for customers • Digital assistance to support customers to access and use self-service • Telephone support with staff enabled to resolve more customer queries at first point of contact • Specialist support for our most vulnerable customers • Information in advance for customers about what evidence to bring in • Quicker processing of claims and access to benefit entitlements • Consolidation and integration of specialist staff and ‘once and done’ to increase capacity to deploy staff more flexibly and effectively • Improved capacity to deploy staff in response to service peaks and troughs • More joined up and end-to-end processes will reduce duplication and repeat contact, and speed up processing times • Increasing take up of online forms and reduction in repeat contact offers scope to further reduce the overall level of resource required in future • Customer Services in each council continuing to operate within their own local context and brand • Reduced levels of face-to-face contact to free up space in frontline facilities for integration with other services and partners

App. 4. Nominated officers

Service	Name	Title	Contact Details
-	Sally Jack	Commissioning Lead – Shared Services and Commercial	Tel: 01472 325631 Email; sally.jack@nlbusinessconnect.co.uk
-	Mike Wedgewood	Director of Policy and Resources	Tel: 01724 296027 Email; mike.wedgewood@nlbusinessconnect.co.uk
The HR People	Helen Manderson	Assistant Director – Human Resources	Tel: 01724 296027 Email; helen.manderson@nlbusinessconnect.co.uk
The Finance Partners	Mark Kitching	Accountancy Shared Services Manager	Tel: 01724 296015 Email; mark.kitching@nlbusinessconnect.co.uk
The Assurance People	Peter Hanmer	Head of Audit and Assurance	Tel: 01472 323799 Email; peter.hanmer@nlbusinessconnect.co.uk
The Legal People	Will Bell	Assistant Director: Legal and Democratic & Monitoring Officer	Tel: 01724 296027 Email; will.bell@nlbusinessconnect.co.uk
	Tony Maione	Monitoring Officer & Chief Legal Officer	Tel: 01472 324373 Email; tony.maione@nlbusinessconnect.co.uk
IT Enablers	Paul Hudson	ICT Shared Services Group Manager	Tel: 01472 323977 Email; paul.hudson@nlbusinessconnect.co.uk
The Procurement People	Debbie Dales	Procurement Shared Services Manager	Tel: 01472 325074 Email; debbie.dales@nlbusinessconnect.co.uk
The Print & Design People	Karl Kay	Head of Service	Tel: 01472 324154 Email; karl.kay@nlbusinessconnect.co.uk
Local Taxation & Benefits	Richard Catlyn	LT & B Shared Services Manager	Tel: 01472 323876 Email; Richard.catlyn@nlbusinessconnect.co.uk

App 5. NLBC Resource Summary; Staffing

Service Area	Total No of Staff	Total FTE	Total full time staff	Total part time staff	Current base location for staff
The Assurance People	11	9.5	8	3	Hewson House
The Assurance People	9	8.6	8	1	Municipal Offices
The Finance Partners	49.14	54	38	16	Hewson House
The Finance Partners	26.86	16.4	2	20	Municipal Offices
The Legal People	18	16.42	14	4	Civic Centre, Scunthorpe
The Legal People	21	20.23	18	3	Municipal Offices, Grimsby
IT Enablers	45.41	46	44	2	Cary Lane, Brigg
IT Enablers	49	48.46	47	2	Municipal Offices, Grimsby
The HR People	54.38	59	41	18	Civic Centre, Scunthorpe
The HR People	48	42.46	35	13	Municipal Offices, Grimsby
The Print & Design People	8	8	8	0	Municipal Offices, Grimsby
The Print & Design People	5	5	5	0	Civic Centre, Scunthorpe
The Procurement People	5	5	5	0	Civic Centre, Scunthorpe
The Procurement People	8	8	8	0	Municipal Offices, Grimsby
LT & B	79	64.65	40	39	Municipal Offices, Grimsby
LT & B	70	57.64	37	33	Hewson House
Totals	506.79	469.36	358	187	

App. 6 – Resource summary; Budgets

Service	2016-17 (£000)			2017-18 (£000)			2018-19 (£000)			2019-20 (£000)		
	NELC	NLC	Total									
Accountancy	1,228	1,409	2,637	1,228	1,321	2,549	1,228	1,198	2,426	1,228	1,148	2,376
Human Resources	871	1,524	2,395	1,181	1,457	2,638	1,181	1,359	2,540	1,181	1,309	2,490
Legal & Democratic	1,260	358	1,618	1,175	321	1,496	1,175	290	1,465	1,175	240	1,415
Audit and Risk	287	397	684	287	387	674	287	363	650	287	363	650
Local Taxation and Benefits	(70)	383	313									
Procurement	241	128	369									
ICT	2,700	2,929	5,629	2,700	2,801	5,501	2,700	2,769	5,469	2,700	2,719	5,419
Print and Design	281	14	295									
Total	6,798	7,142	13,940	7,023	6,812	13,835	7,023	6,504	13,527	7,023	6,304	13,327

App. 7. Proposed action plan – NLBC

ACTION	TIMESCALE
Agree commercial offer (core offer, different levels of offer, pricing structure, targets etc.) Map current providers, risks and potential future markets	August 2016
Map current and future reporting arrangements. Develop documentation.	August 2016
Stakeholder map and communication plan	July 2016
The Procurement People, The Print & Design People, LT & B – new structures to be implemented.	July 2016
Develop 'phase 3' actions ('wider customer service actions', 'wider back office functions', 'front line services')	Ongoing
Design marketing and branding plan	October 2016
Set up procedures to identify and exploit funding channels from all available sources	August 2016
Review of Commissioned Services Business Plan	Annually
Business plan for each service in NLBC to include proposed annual capital, revenue and staffing budgets no later than 1 st December in each year and submit these to both Councils for approval.	Annually
Produce an annual report to both councils by no later than 30 th June in each year covering the performance of NLBC in the 12 month period ending on the preceding 31 st March	Annually
Integrated Legal Services based on two sites, led by a Head of Legal Services	April 2017
Implement a combined risk system	April 2017