

NORTH LINCOLNSHIRE COUNCIL/NORTH EAST LINCOLNSHIRE COUNCIL

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

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 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 as previously considered by the Joint Committee.
- 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 which are now at an acceptable level – 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 OBC
 - 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

- Audit team has implemented an integrated approach to the planning, carrying out and reporting of audits
- Developing a common approach to the introduction of the updated Code of Governance at both Councils
- 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 against 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, will conclude by the end of September with unqualified audit opinions expected

2.10 Legal Services

- Proposed changes to operational practices that will deliver the efficiency target of £60k across the two councils are ongoing and remain on track.
- The legal agreement for 'Northern Lincolnshire Business Connect' (NLBC) has now been signed.
- Legal advisors have been engaged to propose a range of commercial operating models for NLBC.

2.11 Local Taxation and Benefits/Customer Services

- The new structure came into effect on 1st 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
- Whilst operating from two sites, one day per week the team come together and reside at Cary Lane Brigg to promote team building and further aid integration with a one team approach
- 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
- Panel meets 31 Aug. to decide salary scales
- Hoping to go live / approved 1 Oct, subject to approval / smooth negotiations regarding funding
- Turnover is moderately promising considering budget constraints
- We are moving toward phase 2 of joint working for 1 Oct 16
- 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 for the Joint Committee 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. A separate options paper will be developed for the consideration of the Joint Committee in the near future.

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 during its first quarter and the creation of 'Northern Lincolnshire Business Connect'. It also provides assurance to the Joint Committee that the activities and plans for 'Northern Lincolnshire Business Connect' continue to be closely monitored by the Joint Officer Board and the SSMT.

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.

6.2 Potential impacts will continue to be explored and monitored by the Joint Officer Board via the shared services programme risk register.

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 Joint Committee notes the successful implementation of shared services during its first quarter and the positive direction of travel of 'Northern Lincolnshire Business Connect'.

8.2 It is recommended that the Joint Committee agrees, in principle, to develop potential commercial models to support the work of NLBC, for the future benefit of both Councils [ref 2.10]

REPORT FROM SHARED SERVICES OFFICER BOARD

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Background papers used in the preparation of this report – Nil



Northern Lincolnshire Business Connect Performance Report Quarter 1 2016-17

1.1 Executive Summary

This report sets out key performance information for Northern Lincolnshire Business Connect

- ◆ Shared services for 5 workstreams went live, on time, on 1 April 2016
- ◆ The workstreams have continued to deliver good outcomes, as shown at section 2 and include:
 - * An independent review of the North Lincolnshire council website was awarded a 4 out of 4 star rating
 - * The statement of accounts for both council's were produced to statutory timescales and a clean audit is expected with few issues found
 - * Positive feedback was received from both council's audit committee for the Head of Audit's opinion for 2015-16
- ◆ A Performance framework for the shared service workstreams is still being finalised and will be available for the second quarter of 2015-16 (see section 1.2)

1.2 Performance Management

- ◆ A performance framework for the shared service workstreams is being finalised and this will include data on:
 - * How much did we do? (the amount of activity we carried out)
 - * How well did we do it? (how well did we provide our service) Our Performance Measures
 - * What difference did it make? (did we deliver our outcomes) Our Performance Indicators
- ◆ The data is currently being harmonised across the two councils and we will be reporting 40 performance measures and 32 performance indicators for the shared service as a whole and by each individual council
- ◆ Full reporting of this data will commence at quarter 2

1.3 Financial Management

The financial performance of the shared service is detailed at Appendix A of the covering report. The appendix shows budgets, actual expenditure and forecast outturn both individually and collectively to ensure maximum transparency.

- ◆ Collectively the pooled services are forecast to underspend against approved budgets by c.£136k and following the application of the risk share arrangements this would result in a £114k underspend in NELC and £22k in NLC.
- ◆ NELC forecast underspends relate in the main to vacancy savings and unbudgeted income.
- ◆ NLC pooled services are currently forecast to outturn in line with budget although there are a number of commercial income targets which are being closely monitored.

1.4 Workforce Information

From Quarter 2, a graphic and details will be provided which will identify the relevant workforce information for the shared service employees, such as sickness absence levels

Section 2: Shared Service Achievements/Highlights

IT ENABLERS

- Business Partners have been allocated to all service areas to build relationships to discuss what ICT requirements services have and to explain the direction ICT is taking and when initiatives can be delivered. This function is vital in managing expectations and picking up any issues / problems before they escalate
- A full work programme is being developed that will assist in managing our workload, and managing the expectations of key stakeholders. An agreed work-programme will clearly define who is able to do what and when, and will allow us to discuss priorities as new initiatives are passed our way.
- The Service Engagement Group (SEG) has been set up to allow the whole ICT service to work together, and to highlight anything that is preventing this to happen.
- The new Project management documentation process has now been implemented for ICT projects across both Council's
- NELC's new Website has been implemented and is up and running with very positive feedback. Some cross training within the team has already started, ensuring we have adequate cover throughout and we alleviate a single point of failure.
- An Independent review of the North Lincolnshire Council website has awarded the NLC website a 4 out of 4 Star Rating. The Society of Information Technology Managers (Socitm), the leading public sector authority in research and innovation, reviewed 416 council websites and were 1 of 44 authorities to be awarded the top accolade.
- Joint working between Children's social care and the Information team during the year has resulted in a quicker turnaround of statutory returns with the time taken to produce the CIN census being reduced by 4 weeks.
- Work on the single child record has raised the profile of data quality issues in Capita One. Good engagement has been established with system users via the Module Champions group.
- The successful upgrade of NELC Cisco Call Manager took place with no disruption to staff or customers.
- All NLC wireless access points have been upgraded replacing 'End of Life' equipment and enhances performance
- Successful delivery of new broadband connections to three new builds, Brumby Juniors, The Grange Primary and Burton Juniors. All three schools have opened successfully with Broadband provided by the IT Enablers
- New broadband connections and IT solutions have been successfully delivered to three new buildings as part of a commercial contract with PHASE
- The Capita One system has been moved to a new server. This is the first server used by NLC colleagues to be installed at the Thrunsoe Data Centre. This forms part of our future strategy for hosting all applications in a shared virtual infrastructure.
- New MFD Print restrictions have been implemented on NELC devices, with the exception of Lincs Inspire, Engie and those teams with a documented business case.

The ASSURANCE PEOPLE

- The respective Head of Audit opinions for 2015/16 were taken to the audit committees. As well as summarising the outcome of audit work, the reports described how self assessments concluded that audit work is provided in line with international auditing standards. Positive feedback was received from both committees on the quality of Internal Audit work
- Work has begun at both Councils in implementing the updated Code of Governance with a common methodology for its compilation being adopted by both Councils.
- The Insurance team has begun developing an integrated approach to the management of claims across both councils. We are discussing with HR on how best to fill the vacant admin support role which will be important in developing the integrated approach.

THE PROCUREMENT PEOPLE

- The procurement team have been instrumental in realising the council's steel procurement policy and have been invited by cabinet office and CCS to present a case study for the public sector following the conclusion of the Axholme North Sports Centre construction project
- The team continue to secure ongoing commercial income with over £8k secured since the beginning of the financial year
- The team have finalised a thorough business case/business plan for further procurement commercial trading
- The annual review of the construction and highways framework has resulted in positive economic and social benefits for North Lincolnshire including apprenticeships, training, school engagement, community initiatives and spend with NLC Contractors

PRINT HUB +

- Currently working on Quick Print pilot at North East Lincolnshire
- Turnover targets as North Lincolnshire are on track
- Jobs handled by both print hubs are up 21% and Jobs handled by design teams are up 17%

Section 2: Shared Service Achievements/Highlights

THE FINANCE PARTNERS

- Financial Systems access now established for both teams.
- The 2015/16 financial outturn demonstrates that the service supported both councils in controlling their spending within approved budgets.
- A draft Finance IT Systems development outline plan has been produced.
- The Statement of Accounts for North and North East Lincolnshire Councils were both produced to the Statutory Timescales and are now being audited. The statutory period during which members of the public can inspect these accounts began on 1st July and ends on 28th July
- Budget reviews are underway at both councils. These will check that the assumptions made in the two council's Medium Term Financial Plans/Strategies are still appropriate
- Outturn reports were produced for members at both councils. The format of these reports were aligned to enable as much work as possible to be undertaken once but used twice
- Work has taken place to develop action plans/contracts to inform future business partnering relationships
- The service has received several requests which may become commercial opportunities. The requestors include a number

LOCAL TAXATION & BENEFITS

- After a more than a year in planning the new digital first service was implemented from 1 July 2016. This merges front - line staff from the Contact Centre and Local Links with back office staff in Taxation and Benefits. Equipping all staff with the required taxation or benefit skill set takes away double handling and makes the process more efficient. A shift to web based technology will deliver further improvements providing a single platform for NLC and NELC.
- Council tax collection rates continue to hold up, only marginally down on last year after three months. This is good performance as council tax increased for the first time since 2010/11 (by 2%) and the minimum contribution for the council tax support scheme increased from 8.5% to 23%. Business rates collection is in a similar position, but in both cases tax collection requires more active management reflected in an increase in reminders, summonses and liability orders.

THE HR PEOPLE

- Vacancy management and DBS processes have been considered and adapted within the respective advisory centres taking account of the differences between each Council
- SLA's have been sent out to NEL customers for September 2016 sign-up
- Introduction of new managing attendance procedure at NLC
- Successful implementation of TopDesk at NEL providing customers with an improved access point (single telephone number and queries submitted in the system)
- Induction for shared service staff and managers procured, designed and delivered

Section 3: Quarter 2 Focus

The following is a list of the areas that each element of North Lincolnshire Business Connect will be focusing on, during the second quarter of 2016-17

THE PROCUREMENT PEOPLE

- Implement the new service
- Streamlining processes for consistency and to have a joint offer across both Council's
- Explore opportunities for commercial/trading activity

IT ENABLERS

- An ICT road map is to be developed for ICT specific projects and large scale elements of improvements, (e-Mail project, SAN project, Backup Solution, Data Centre migration, etc.) as well as key milestones going forward (large procurements/major change work). The development of this will enable two way feeds and ensure we are delivering on the ICT strategies from both councils.
- New NLC mobile phone roll out
- ICT Solution Centre - self-service push and single system.
- Further preparation for the 10 October 2016 IG and ICT Security Campaign.
- Review of NLC Publication Scheme.
- Preparation plan for the new Data Protection Regulation.
- Internal audit commence work on ICT inventories
- Finance meeting 25/7/16 to discuss combining ICT budgets
- Creating single approaches to processing orders and deliveries to simplify processes and make best use of resources
- Implementation of business partner meetings across both councils establishing relationships, confidence and forward planning
- Allocation of project resources to the work programme
- Delivering ICT aspects of the customer programmes as per the work programmes
- Combined single email system going live
- Data centre move from Thrunsoe Centre, Cleethorpes to North Lincolnshire
- North and North East Lincolnshire ICT Delivery Boards taking place
- Developing and supporting the project development for the re-procurement of the Children's Case Management system
- Going out to tender for new mobile phone devices for North Lincs Council
- ICT supporting NL TCA and NELC Customer Management with channel shift and application rationalisation
- Implementing printing restrictions based on a value on NLC MFD Devices

LOCAL TAXATION & BENEFITS

- The service continues to implement the government's welfare reform agenda. There will be a lower cap on benefits from November (£20k down from £26k). Working with the Action Station the service will offer those affected (257 households) money management training and opportunities to find work, strengthening their personal resilience.
- The council will also review its scheme for Discretionary Housing Payments to fit the next stage of reform.
- Over the summer/autumn period there will be a public consultation on changes to the Council Tax Support Scheme to ensure it remains affordable.

PRINT HUB +

- Digital Colour production equipment evaluation and replacement

Section 3: Quarter 2 Focus

The following is a list of the areas that each element of North Lincolnshire Business Connect will be focusing on, during the second quarter of 2016-17

THE HR PEOPLE

- Work will continue on the procurement of the new HR Payroll system involving HR and payroll staff.
- Focus on the commercial strategy and activity will continue as potential leads are followed up and use of the service for schools online system.
- Greater profile of sickness absence monitoring and management across both councils including introduction of new managing attendance procedure at NELC
- Alignment of the workforce reporting and profile information for both councils

THE ASSURANCE PEOPLE

- The Audit team is now on with delivering the 2016/17 audit plans. We anticipate that sufficient work will be carried out at both councils to provide a reliable annual opinion, although the impact of long term sickness will need to be considered when managing workloads
- The intention is for the work on the code of governance to be complete in draft by early Autumn at the latest. Once this is complete the next focus will be producing a common risk methodology for both Councils .
- The Fraud team has begun internal data matching via a bespoke system alongside neighbouring councils for areas of particular risk. To Also will be looking at risk areas in relation to adult social care
- Focus will be on the annual insurance renewals at both councils.

THE FINANCE PARTNERS

- The commencement of the Financial Ledger System Procurement Project. The initial tasks will be the establishment of a steering group, the recruitment of a Project Manager and the development of a Project Plan.
- Conclude the audit and approval of both council's final accounts. The service will be working towards achieving unqualified audit opinions on both sets of accounts.
- Both Business Partnering Teams will be supporting services in containing spending within budget. At NELC the support will be to the "Delivering the Budget" project. At NLC the focus will be on supporting the Places Directorate to deal with the budget pressures from 2015/16 and any emerging pressures.
- The Financial Planning Teams will be reviewing and updating the budget assumptions in the existing Medium Term Financial Plans/Strategies to ensure they are robust and commencing the detailed work on the 2017/18 budget.