

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	19 January 2009

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Highlight Report – Shared Services Project	Finance and Resources	Paul Morris	8a

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report summarises the progress made to date on the Chorley and South Ribble Financial and Assurance Shared Services Arrangement. In overall terms the project has a green status which signifies that things are on track and going to plan. The partnership is now live and is currently undergoing a period of detailed implementation to ensure that the services are established effectively, whilst preserving and maintaining the high standards of service provision provided in the past.

This project is a high priority to both Councils.

Chorley Council’s Corporate Strategy for 2008/09 to 2009/10 sets out the Council’s main corporate priorities relating to:

- Prosperity;
- People;
- Place; and,
- Performance.

Within these priorities areas this project specifically supports the strategic objective of ensuring that Chorley Borough Council is a performing organisation. Implementing Shared Finance Services is named as a key project by the Council in support of the long-term objective of being a provider and procurer of high quality priority services. The project is seen as an important contributor to raising staff satisfaction levels to 90% by March 2010.

South Ribble Council’s Corporate Plan 2008-2011 lists the following main corporate priorities:

- A clean, green and safe environment
- A strong South Ribble in the heart of a prosperous Central Lancashire
- Strong and healthy communities
- Being efficient, effective and an exceptional council

This project specifically supports the priority of being efficient, effective and an exceptional council. For 2008-2009 implementing the partnership with Chorley Borough Council for financial services has been set as a key project.

RECOMMENDATIONS

1. That the Shared Services Joint Committee carefully note the contents of this Project Highlight Report.

DETAILS AND REASONING

The principle of establishing a Shared Service for Financial & Assurance Services was first discussed in late 2006 in response to a number of issues being faced by both Chorley and South Ribble Councils. During 2007 work was undertaken to establish the feasibility of such an arrangement and how it might be organised. This came together in December 2007 when the Executive Cabinets of both Councils approved a series of measures aimed at moving forward the collaboration.

From January 2008 the project moved up a gear under the guidance of the FASSA Partnership Board. In particular, sound project management arrangements were put into place with the appointment of a dedicated project manager and the establishment of a Project Board to lead and manage the significant change agenda. Since then the project has been closely monitored against a project plan by the Officer Project Board and Member Partnership Board. Separate officer working groups also exist to ensure progress on ICT, Human Resources, Legal and Accommodation issues. In addition there now exists detailed implementation plans for Assurance Service and Financial Services which are being managed by the respective Heads of Service. All of these groups report directly to the Officer Project Board.

Now that the Shared Services Joint Committee has been established it takes over the role of the Member Partnership Board which has been disbanded. The Officer Project Board will continue to meet to plan, coordinate and manage the final stages of the detailed service implementation.

The project management arrangements require that regular highlight reports are prepared and presented to the Shared Services Joint Committee for consideration. Attached at Appendix A is the report to January 2009 which shows that the project has an overall green status meaning that things are on track and going to plan. In summary the Highlight Report shows that:

- The partnership will bring about immediate and ongoing savings. The level of savings have already been reported to each Council's Executive Cabinets but are currently in the process of being updated now that all staff appointments have been made and actual salary levels are known. The new figures will be reported separately to the Joint Committee when available.
- Significant progress has been made against all key milestones including:
 - All project documentation is in place.
 - All staff appointments have been made to the approved structures and all relevant TUPE transfers have been made.
 - The Administrative Collaboration Agreement (Legal Agreement) for the partnership has been signed by both Councils.
 - A programme of Joint Committee meetings throughout the year has been scheduled.
 - The accommodation requirements at both sites have been met which has necessitated building works at Chorley. To meet the space requirements for Exchequer Services at Chorley this service has relocated from the Town Hall to Union Street. In addition four permanent desks will be made available at Chorley for Assurance Services. At South Ribble permanent desks have been made available for Procurement, Exchequer and Financial Accountancy Services.
 - The ICT requirements for the partnership have been agreed and work is ongoing with Lancashire County Council to provide a dedicated link between the two Councils using the County's network. It is planned to have this fully operational by mid-January 2009.
 - A "Synergy" Shared Service brand has been approved following a staff competition and this is now being developed into a style guide setting out how this will be used in all forms of communication.
- There are a number of issues which are currently being considered by the Project Board however, it is anticipated that none of these will affect the overall success of the project. These involve:
 - Finalising the basis for the Synergy brand for the partnership.

- Using detailed implementation plans to manage the early stages of partnership working to ensure continuing high levels of service provision.
- Finalising the budget and cost sharing arrangements.
- Agreement and configuration of the ICT link between both Councils using the Lancashire County Council network.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of the project in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the Full Business Case which is listed in the background papers to the report.

FINANCIAL	<p>This project provides immediate and ongoing efficiency savings to both Councils. The figures reported to the respective Executive Cabinet Meetings in June/July 2008 estimated these at over £101,000 in the first full year of operation (2009/10) based upon staff being appointed at the mid (average) salary scale point. The reported savings would be split £55,000 to South Ribble Council and £46,000 to Chorley Council. An updated partnership budget is currently being prepared taking into account actual staff appointments and this will be presented to the Shared Services Joint Committee shortly.</p> <p>There are some set-up costs being incurred relating to this project which are expected to be in the region of £25,000 for each Council. These will be met from current cash budgets. In addition the North West Centre of Excellence has funded legal support costs of about £4,000.</p> <p>There are some costs for which ongoing budgetary provision is required. The main ones relate to ICT line rental and support costs to maintain the necessary links between the two Councils which will reduce the annual savings by almost £10,000 for each Council.</p>		
LEGAL	<p>The partnership has been established with a relatively informal structure which has low complexity and a low cost set up. A Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils.</p> <p>Schedule 3 to this Agreement sets out the Constitution for the Joint Committee which is considered separately on this agenda.</p>		
RISK	<p>Any new service delivery approach involves a significant element of risk, both in relation to the new arrangement itself and in making the transition to that new service delivery vehicle. The development of the partnership will increase the risk to each of the councils and this has been recognised and is being managed, individually and collectively.</p> <p>The full risk assessment is set out in V0.3 of the Business Case and the main current risks are discussed further in the attached Highlight Report.</p>		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>

<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

1. Business Case V0.3 – South Ribble and Chorley Council's Financial and Assurance Shared Services Arrangement, June 2008.