

PROJECT DOCUMENTATION

HIGHLIGHT REPORT

***Chorley & South Ribble Financial & Assurance Shared Services
Arrangement***

Date: January 2009

Project Manager: Paul Morris

Senior Responsible Owners: Mike Nuttall & Gary Hall

Period Covered:

As at January 2009

Overall Project Status**G**

The project remains on track for full implementation and went live during week commencing 5th January 2009. This was marked by the TUPE transfer of staff between the two Councils following the signing of the Administrative Collaboration Agreement. There now follows a period of detailed implementation in order to successfully bed in the new arrangements whilst ensuring that services provided continue to be of a high standard.

Budget Status**G**

Given that the aim of the Partnership is to implement standardisation of process and the fact that in its broadest sense the current levels of service are broadly comparable, it is proposed that in the first instance costs are charged equally between the two Councils. This will be reviewed periodically to ensure that no material disparity is occurring. Where it is justified to share costs on a different basis because of differing levels of service received or specific developments relevant to one authority, then a different cost sharing model will be used. This will be determined and managed by the Shared Services Joint Committee on an ongoing basis.

The proposed FASSA structures give immediate and ongoing efficiency savings to each Council. Table 1 below summarises the savings that result from comparing the cost of the new structure against the current 2008/09 budget and the budget for the first full year of operation in 2009/10. These figures have already been reported to each Council's Executive Cabinet in June/July 2008 and 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 to the Joint Committee when available.

Table 1: FASSA Salary savings reported to Executive Cabinet in June/July 2008

Detail	Chorley Savings	South Ribble Savings	Total Savings
	£	£	£
Budget 2008/09	41,394	39,715	81,109
First full year – 2009/10	46,160	55,483	101,643

The cost of the new structure is based upon staff being in post at the mid (average) salary scale point.

There are some set-up costs which are being incurred relating to the project and change management process 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.

In addition there are some ongoing 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 are summarised in Table 2 below. The revenue costs reduce the initial

annual savings from the staffing structure set out in Table 1 above by almost £10,000 for each Council.

Table 2: FASSA ICT Costs

Description	Capital Costs	Revenue Costs
Telephony upgrade	£7,000	
Upgrade to LCC Link	£1,000	£7,662
Upgrade to Netilla remote access solution, with Load Balancing & redundancy kit	£11,000	
Upgrade to Internet Link from 2Mbs to 10Mbs (quote from Thus PLC based on 36 month agreement)		£12,300
Unit costs per additional employee		
- Hardware	£450	
- Software	£300	
Consultancy (CBC)	£5,000	
Consultancy (SRBC)	£5,000	
TOTAL	£29,750	£19,962

To allow for the necessary ICT changes South Ribble Council has approved resources for investment in its infrastructure and network. This expenditure is specific to that Council, Chorley has made the investment in the past, and would be necessary irrespective of the partnership arrangement.

Schedule Status	G
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The project has been closely monitored against a project plan by the Officer Project and Member Partnership Boards. 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 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.

Work Completed	G
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At January 2009 the following key milestones have been achieved:

- All project documentation is in place.
- The staffing structures for the Shared Services have been approved following full consultation and appointments have been made to posts.
- No further recruitment will take place with regard to Shared Assurance Services until the 2009/10 Audit Planning Process is finalised.

- With regard to Shared Financial Services there are currently 4 vacant posts: Principal Financial Accountant - covered by agency staff, recruitment process to start January 2009; Procurement Officer – vacant, recruitment on hold until workload of team assessed; Assistant Systems Support Officer – vacant, interview to take place 9th January 2009; Exchequer Officer currently being covered by temporary contract.
- The Administrative Collaboration Agreement (Legal Agreement) for the partnership has been signed by both Councils. This includes:
 - detailed Service Level Agreements, which have been drawn up in full consultation with relevant staff of both Councils;
 - the determination of TUPE arrangements for transferring staff; and
 - the terms of reference for the Shared Services Joint Committee.
- The first full meeting of the Joint Committee has been scheduled for 19th January 2009. A programme of meetings throughout the year has been approved.
- The accommodation requirements at both sites have been met which has necessitated some minor 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 at which point the physical relocation of staff and functions will be effected in accordance with the implementation plans.
- A “Synergy” Shared Service brand has been approved following a staff competition and this is now being used to develop a style guide setting out how this will be used in all forms of communication.

Outlook for Next Period	G
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There are a number of issues which are currently being considered by the Project Board. It is anticipated that none of these will affect the overall success of the project. They include:

- Finalising the basis for use of the ‘Synergy’ brand for the partnership. *A detailed style guide is currently being developed by the communications staff of both Councils.*
- Ensuring that the Shared Services are bedded in effectively whilst continuing to provide a high level of service to both Councils. *Detailed Implementation Plans are being used to manage the early stages of partnership working with overall coordination taking place at the Officer Project Board.*
- Finalising the budget and cost sharing arrangements. *An updated budget for the Shared Service Arrangement has been prepared which takes into account actual salary costs now that all appointments have been made. This will be presented to the Shared Services Joint Committee for approval.*
- South Ribble approving the necessary funding for the required ICT infrastructure works at that Council. *This has now been approved by Executive Cabinet.*
- Successful agreement and configuration of the link to the Lancashire County Council network. *This work is now in hand and it is planned to have the link between the two Councils fully operational by mid-January 2009.*

Potential (Risks)	G
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The main risk areas relating to the project are:

- **Lack of understanding / Fear of change / impact on staff morale.** Finalising the recruitment and TUPE transfer arrangements and continuing the good communication established for the project help to mitigate this. Currently the communication teams of both Councils are considering the best way forward with regard to broader communication about the partnership. In its new form this will replace the staff newsletter but will retain staff communications as a high priority.
- **Failure to maintain key financial systems and communication systems.** Successful agreement and configuration of the link to the Lancashire County Council network will address this major risk.
- **Having appropriately skilled & experienced staff to lead the new management arrangements.** The Head of Shared Financial Services has been successfully recruited following external advertisement and took up the post in early December. The Head of Shared Assurance Services has been recruited internally and is now in post. All other positions have been recruited to following an appropriate selection process involving interview and other testing as required.
- **Failure to develop an appropriate common culture for the SSA.** This issue is being addressed post Phase 1 implementation period.
- **Failure to deliver changes to processes & systems.** Some changes are desirable and necessary up front but most will be for the post Phase 1 implementation period. Those that are necessary immediately are being dealt with in the detailed Implementation Plans being coordinated by the Officer Project Board.
- **Lack of external publicity and recognition of the SSA.** The project is already receiving external recognition, notably through the North West Improvement & Efficiency Partnership. Determination of the appropriate use of the Synergy brand will help with both internal communication and external publicity. The communication teams from each Council are currently working together to provide a detailed internal style guide and to determine the best way for broader communication about the partnership.

Forward Plan	G
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The partnership has now gone live and for all intents and purposes Phase 1 of the project is complete. However, to ensure that the services are fully established, whilst maintain a high level of service provision, there remains a period of detailed implementation which will involve the physical relocation of services on a planned and phased basis. Ongoing progress will be reported to the Shared Services Joint Committee at each meeting.