

Shared Services Joint Committee

Thursday, 3rd February, 2022, 6.00 pm

Shield Room, Civic Centre, West Paddock, Leyland PR25 1DH

Agenda

1. **Apologies for Absence**
2. **Minutes of meeting Tuesday, 2 November 2021 of Shared Services Joint Committee** (Pages 3 - 4)

To be approved as a correct record for signing by the Chair.
3. **Minutes of meeting Tuesday, 16 November 2021 of Shared Services Joint Committee** (Pages 5 - 6)

To be approved as a correct record for signing by the Chair.
4. **Declarations of Any Interests**

Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.

If you have a pecuniary interest you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.
5. **Shared Services Monitoring** (Pages 7 - 36)

Report of the Deputy Chief Executive attached.
6. **Shared Services Future Development** (Pages 37 - 44)

Report of the Deputy Chief Executive attached.
7. **Exclusion of Press and Public**

To consider the exclusion of the press and public for the following items of business on the ground that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

By Virtue of Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Condition: Information is not exempt if it is required to be registered under The Companies Act 1985 The Friendly Societies Act 1974 The Friendly Societies Act 1992 The Industrial and Provident Societies Acts 1965 to 1978 The Building Societies Act 1986 (recorded in the public file of any building society, within the meaning of the Act) The Charities Act 1993

Information is exempt to the extent that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Information is not exempt if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to Regulation 3 of the Town & Country Planning General Regulations 1992(a).

8. **Shared Pest Control Service**

(To Follow)

Report of the Director of Communities to follow.

Gary Hall
Chief Executive

Electronic agendas sent to Members of the Shared Services Joint Committee Councillor Paul Foster (South Ribble Borough Council) (Chair), Councillor Alistair Bradley (Chorley Council) (Vice-Chair) and Councillors Sam Chapman (Chorley Council), Alan Cullens (Chorley Council), Margaret France (Chorley Council), David Shaw (South Ribble Borough Council), Margaret Smith (South Ribble Borough Council), Matthew Tomlinson (South Ribble Borough Council), Karen Walton (South Ribble Borough Council) and Peter Wilson (Chorley Council).

Electronic agendas sent to Shared Services Joint Committee reserves (Councillors) for information.

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Agenda Item 2



WORKING TOGETHER



- Minutes of** **Shared Services Joint Committee**
- Meeting date** **Tuesday, 2 November 2021**
- Committee members present:** Councillors Paul Foster (Chair), Alistair Bradley (Vice-Chair), Sam Chapman, Alan Cullens, Margaret France, David Shaw, Margaret Smith, Matthew Tomlinson, Karen Walton and Peter Wilson
- Officers present:** Gary Hall (Chief Executive), Chris Sinnott (Deputy Chief Executive), Victoria Willett (Service Lead - Transformation and Partnerships), Asim Khan (Director of Customer and Digital), Alison Wilding (Service Lead - Customer Services), Andrew Daniels (Shared Service Lead - Communications and Visitor Economy) and Charlotte Lynch (Democratic and Member Services Officer)
- Other attendees:** Councillor Damian Bretherton (South Ribble Borough Council), Councillor Phil Smith (South Ribble Borough Council) and Councillor Matthew Trafford (South Ribble Borough Council)
- Public:** 0
- 14 Apologies for Absence**
- None.
- 15 Declarations of Any Interests**
- There were none.
- 16 Minutes of meeting Monday, 2 August 2021 of Shared Services Joint Committee**
- Resolved: (Unanimously)
- That the minutes of the previous meeting held on Monday, 2 August 2021 be approved as a correct record subject to the inclusion of Councillor Phil Smith on the attendance list.
- 17 Exclusion of Press and Public**
- The committee discussed how many of the reports presented to recent meetings had been confidential. They asked officers to consider approaches that, in the interests of transparency, present information in the public agenda.
- Resolved: (Unanimously)

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That the press and public be excluded from the meeting for the following item of business as it contained information relating to any individual as defined in Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972.

18 Customer Services and Revenue & Benefits Review

Members considered a confidential report of the Director of Customer and Digital which outlined the background, approach and findings of the service review for the Customer Services and Revenues and Benefits departments at both Chorley and South Ribble Borough Councils.

The committee discussed the proposals contained within the report and identified a series of areas where they wished to see additional information, context and adaptations to the proposals. These included more information and context in relation to current performance; proposals for a review of the newly shared service after 12 months; and consideration of the resourcing of the service in the initial period.

It was agreed that the meeting would be adjourned to allow officers to prepare an amended report which took into account the requests made.

Chair

Date

Agenda Item 3



WORKING TOGETHER



Minutes of	Shared Services Joint Committee
Meeting date	Tuesday, 16 November 2021
Committee members present:	Councillors Paul Foster (Chair), Alistair Bradley (Vice-Chair), Sam Chapman, A Cullens, Margaret France, David Shaw, Margaret Smith, Matthew Tomlinson, Karen Walton and P Wilson
Officers present:	Gary Hall (Chief Executive), Chris Sinnott (Deputy Chief Executive), Victoria Willett (Service Lead - Transformation and Partnerships), Alison Wilding (Service Lead - Customer Services) and Charlotte Lynch (Democratic and Member Services Officer)
Other attendees:	Councillor Damian Bretherton (South Ribble Borough Council), Councillor Aniela Bylinski Gelder (Cabinet Member (South Ribble Borough Council) and Councillor Phil Smith (South Ribble Borough Council)
Public:	0

19 Apologies for Absence

None.

20 Declarations of Any Interests

There were none.

21 Shared Customer Services and Revenues & Benefits Review

The committee received a report of the Director of Customer and Digital which outlined the findings of a recent service review and set out proposals for a restructure and development plan for shared Customer Services and Revenues and Benefits department across Chorley and South Ribble Borough Councils.

Members were advised that the report included additional information and proposals to address the requests made at the adjourned meeting, such as current performance, resourcing and capacity.

Commitment to a review of the service in 12 months was provided and 6 fixed-term apprenticeship posts, in addition to the permanent posts already proposed, would be created to provide capacity during the transition to a shared single operating model.

The committee felt that the updated report addressed many of their concerns but there remained some concern over the time taken to process housing benefits claims at South Ribble.

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In response, it was acknowledged that a single shared operating model would enable greater cross-learning, resilience and the implementation of technology to expedite the processing of claims.

Members of the Conservative group at South Ribble expressed their regret at being unable to support the proposals.

Whilst reiterating that the South Ribble Conservative group remained supportive of shared services as whole, it was felt that the services already shared needed more time to fully embed and to allow members and officers to fully assess the impact before extending the arrangements further.

Concerns over staff satisfaction were also raised and the Chief Executive advised that it was inevitable for some employees to be dissatisfied during periods of change but that work to support staff and ensure their engagement was a high priority.

Some members of the committee felt there was no evidence to support claims of low staff morale and that the COVID-19 pandemic had negatively impacted the first phase of shared services.

It was suggested that members of the Conservative and Labour Groups at South Ribble meet to discuss any concerns regarding current and future shared services and that a Member Briefing on the subject could be beneficial.

Resolved: (For: 8 Against: 2)

That the Shared Services Joint Committee endorse the following for consultation with staff and Unison prior to final proposals being presented for Executive Decision and the councils' Cabinet meetings in January 2022.

- a) the proposed shared Customer Services restructure including ERVS requests;
- b) the development of the shared service as set out in the service development plan; and
- c) principles for:
 - i. Flexible and multi-channel working
 - ii. Making best use of technology and automation
 - iii. Waste services

Chair

Date

Agenda Item 5



WORKING TOGETHER

Report of	Meeting	Date
Deputy Chief Executive	Shared Services Joint Committee	Thursday, 3 February 2022

Shared Services Monitoring

Is this report confidential?	No
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Is this decision key?	No
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Purpose of the Report

1. This report provides an update on the current shared services between Chorley and South Ribble Councils, monitoring staff satisfaction, savings and benefits, alongside progression against the service development objectives.

Recommendations

2. To note the update on shared services and the service development objectives for the phase 1 services.
3. To consider the approach for monitoring shared services arrangements moving forwards.

Reasons for recommendations

4. To allow for more frequent reporting on the shared services arrangements between Chorley and South Ribble Council, allowing the Committee to regularly monitor progress and performance.

Background to the report

5. Chorley and South Ribble Councils agreed the phase 1 extension of shared services arrangements in September 2019 to include Transformation and Partnerships, Communications and Visitor Economy, and Governance services. In January 2020, shared senior roles were implemented, followed by phase 1 services in April that year. Restructures for the services were completed in November 2020.

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Shared services monitoring

6. In June 2021, the first shared services monitoring report was presented to the Shared Services Joint Committee to assess the position of phase 1 services in relation to:
 - a) Progression against service development objectives
 - b) Staff satisfaction
 - c) Benefits tracker
 - d) Risk review
 - e) Budget overview
7. The reports are currently scheduled to be shared with the Committee every six months, with the second update presented to the Committee in this report. The attached paper in appendix A considers the savings and budget split for phase 1 sharing arrangements, alongside phase 2 savings that have already been delivered. Staff satisfaction and service level benefits and objectives have been identified for each of the phase 1 services and monitoring in these areas will be expanded to other shared services once the restructures have been implemented.
8. This report also includes a benefits tracker in appendix B and best practice paper in appendix C to highlight some of the benefits that have been delivered as a result of shared services.
9. As more services become shared, with ICT and Customer Services reviews due to be implemented in Q3 and Q4 2021/22, a review of the Shared Services monitoring framework has been undertaken to enable more frequent and regular updates to Shared Services Joint Committee. This will allow the Committee to better monitor the progress and performance of both established and evolving shared services. It is suggested that this reporting should also include Shared Financial Services to provide an overview of progress across all shared services.
10. The review has also considered how benefits realisation can be more comprehensive and quantify the benefits that have been achieved alongside developing an understanding of the successes and examples of best practice from the services.
11. It is proposed that future reporting follows the framework set out below in place of the current bi-annual monitoring reports:

Report	Content
Every meeting – general update report	Highlight report with update from each service on key points of action and an overview of activity
Quarterly performance report	For each service, updates on: <ul style="list-style-type: none">• Service development objectives• Service performance against measures outlined in the service business plan• Benefits overview

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	<ul style="list-style-type: none"> • Staff satisfaction (staff will be surveyed every other quarter) • Risk register
Annual review	Full review of <ul style="list-style-type: none"> • Benefits realisation including quantitative performance • Best practice • Areas of success and achievements • Lessons learned • Financial benefits and budget

12. Progress of each service will be monitored in relation to measures outlined in the service business plans, alongside the key benefits identified within the original business case for shared services and the Project Initiation Documents:

- a) Financial savings
- b) Resilience and capacity
- c) Service development
- d) Staff development

13. Meeting dates for Shared Services Joint Committee are set until March 2022. General update reports will be taken to every meeting moving forwards and will be included in the timetable once meeting dates have been confirmed.

14. It is proposed that quarterly updates are reported in June, September and December. The annual benefits realisation will be completed in March, with this first being completed in March 2023 once ICT and Customer Services have been implemented with time for progress to have been made on the service development plans.

15. The suggested forward plan for the meetings is as follows and will be updated with general update reports once the full forward plan is set.

Meeting	Reporting
June 2022	Quarterly performance report
September 2022	Quarterly performance report
December 2022	Quarterly performance report
March 2023	Annual review

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Climate change and air quality

16. The work noted in this report does not impact the climate change and sustainability targets of the Councils Green Agenda and all environmental considerations are in place.

Risk

17. Risk for shared service is considered within the appendix report.

Comments of the Statutory Finance Officer

18. Details of savings approved to date and current Shared Service budgets are included within appendix A.

Comments of the Monitoring Officer

19. There are no issues to raise from a Monitoring Officer perspective.

Appendices

Appendix A- Shared Services Monitoring Report

Appendix B- Benefits Tracker

Appendix C- Best Practice

Report Author:	Email:	Date:
Caroline Winstanley (Transformation Coordinator)	caroline.winstanley@southribble.gov.uk caroline.winstanley@chorley.gov.uk	19 January 2022

Shared Services Monitoring Report- February 2022

Savings and budgets

- The following table shows the cost savings that have been made through reduced staffing budgets including shared posts and the shared services reviews. Staffing savings have been made by realigning resources to meet service priorities, capacity and demand.

	(Savings)/Additional Cost (000's)		
	CBC	SRBC	Total
Initial Phase – Senior Roles	(57)	(252)	(309)
Communications and Visitor Economy	8	(8)	-
Transformation and Partnerships	(91)	7	(85)
Governance	(31)	57	26
Grades and Travel	(6)	36	30
Phase 1 - Total	(177)	(160)	(337)
Chief Executive	(58)	(76)	(134)
Director Posts	(90)	(53)	(143)
ICT Review - Phase one and Two	(48)	(33)	(81)
Corporate Support	(17)	(17)	(34)
Phase 2	(214)	(179)	(392)
Total Savings	(391)	(339)	(729)

- The phase 1 savings relate to the initial senior roles including the Shared Deputy Chief Executive and Shared Service Leads, alongside the service reviews for Governance, Transformation and Partnerships, and Communications and Visitor Economy. Some further staffing savings are expected to be achieved for these services through delivery of the service development plans to achieve a single operating model.
- Staffing costs have increased in some areas to allow for additional capacity, ensuring resilience and a sustainable model for the services. There has also been the opportunity to increase the services provided across the councils, such as enabling services to be delivered in house or expanding the functions that are offered in areas such as events and museums, tourism and culture
- In phase 2 of shared services, the Chief Executive and shared Director posts have been developed at a saving to both councils. Both phases of the ICT review (management and rest of service) have also generated savings across the councils. The total savings will increase once the Customer Services and Revenues & Benefits review is implemented in February.

5. As other work is undertaken, such as joint procurement and shared systems, savings to non-staffing cash budgets have been achieved. Work will be carried out in the coming months to quantify and record these savings through shared services and will be included in reporting to the Committee.

Budgeted charges across Councils 21/22					
Budget Area	Host Council	Split Basis CBC/SRBC	CBC	SRBC	Total
Audit	SRBC	50/50	173,572	173,572	347,144
Governance	SRBC	50/50	122,779	122,779	245,558
Corporate Admin Team	SRBC	50/50	105,452	105,452	210,904
Democratic	SRBC	50/50	221,101	221,101	442,202
Mayoral Services	SRBC	50/50 (exc 1 post 100% SRBC)	34,751	65,734	100,485
Chorley Civic Services	SRBC	100/0	160,171	0	160,171
Legal	SRBC	50/50 (exc 1 post 100% SRBC)	188,652	214,975	403,627
Procurement	SRBC	50/50	69,111	69,111	138,222
Town Hall and Bengal Street	SRBC	100/0	47,568	0	47,568
Union Street	SRBC	100/0	42,914	0	42,914
Lancastrian	SRBC	100/0	54,721	0	54,721
Communications	SRBC	50/50	163,921	163,921	327,842
Events	SRBC	60/40	85,176	54,214	139,390
Astley	SRBC	100/0	218,210		218,210
Shared Chief Executive, Deputy Chief Executive and Directors	CBC/SRBC	50/50	354,270	354,270	708,540
Finance	CBC	50/50	620,900	620,900	1,241,800
Transformation and partnerships	CBC	50/50 (exc 3 posts 100% CBC)	380,720	261,100	641,820
Human Resources	CBC	50/50	152,410	152,410	304,820
ICT (full year equivalent budgets)	CBC/SRBC	50/50 except for Infrastructure Team 40/60	432,194	498,834	931,028
			3,628,593	3,078,373	5,775,938

6. The above table demonstrates the costing split for shared services across Chorley and South Ribble Councils, with most areas split 50:50 to reflect that staff within the service provide an equal service across both organisations. Where there is an identified need for one council but not the other, the split in costs can vary for example a charge of

60:40 for Events to reflect the demand of the events programme to be delivered at each council. Some areas are charged 100% to Chorley whilst being hosted at South Ribble in order to ensure a balanced number of employees at each council.

Staff Satisfaction

7. Staff satisfaction within shared services has been measured for the second time following the satisfaction survey that was conducted in June 2020. The survey asks staff about understanding of shared services and their role, as well as providing the opportunity for written feedback around what has worked well in shared services and where staff could benefit from further support.
8. Below shows a comparison of the responses between the two surveys:

	June 2021	Nov 2021
Understanding how service contributes to delivering priorities of both councils	88%	91%
Understanding team's role in shared services	84%	91%
Having the skills/training needed for role	94.6%	96.4%
Overall, satisfied in job	75%	78.5%

9. Results showed an improvement in employees' understanding of their role and wider service, with 91% of staff agreeing that they understand the role of their team in shared services and how their service contributes to the priorities of both councils. These show improvements from the previous survey and indicate that the work to embed shared services over the last 6 months has helped to solidify understanding among Shared Services Staff. Areas where staff feel that they do not have a full understanding, include in services that are not fully shared or in newly shared teams.
10. Most staff feel that they have the skills and knowledge needed for their role, with 96.4% either agreeing or strongly agreeing with the statement. This is another improvement from the previous survey and reflects the continued identification of any training needs through shared services development discussions.
11. Overall, the survey demonstrates high levels of satisfaction across shared services and some of the positive feedback around the experience of working in shared services includes:

- Opportunities to share expertise and best practice to maintain our continual desire for improvement.
 - Shared resources allowing for improved efficiency and satisfaction.
 - More opportunity for staff development through challenge, variety, new skills and personal development.
 - Wider variety of projects and tasks allowing for a more varied workday.
12. Only four respondents indicated being less than satisfied with their jobs, which generally relates to individuals in teams that have recently integrated into shared services or teams that are not fully shared.
13. Some of the key areas for further development are as follows:
- Staff remain enthusiastic to meet their Shared Services colleagues as they have returned to the office. Events are being scheduled to provide staff with an opportunity to meet colleagues across Shared Services and help build a shared work culture across the two councils.
 - Integrating newly established shared services teams, such as: Events, Museums, Tourism and Culture, and Health and Safety. Service leads and managers will continue to support staff in furthering the integration of teams. This will include ICT and Customer Services once the restructures have been implemented.
 - Continuing to support staff across shared services through development reviews, networking opportunities, and Directorate manager meetings to identify and address any issues raised.

Service Level Performance

14. Each service has identified several service development objectives to set out the transformation and development of the shared services to a single operating model. There are currently 8 service development objectives for the Phase 1 services with 4 being complete and 4 still ongoing.
15. Some of the work that has been completed includes:
- Developing a shared performance management system to ensure consistent reporting of data and performance, a more user-friendly system, and reduced data entry time.
 - The implementation of the shared Events team and Museums, Tourism and Culture service.
 - A review of the shared Audit and Risk team to ensure that resource and capacity are aligned to the priorities of the service and delivering efficiencies for transactional work.
16. Development objectives that are ongoing but scheduled to be completed over the next year are as follows:
- Delivering a shared HR operating model including HR system. This will support increased self-service and access to information for managers

whilst enabling HR to focus capacity on case management, workforce planning and providing an advisory function.

- Undertake a review of internal communications and digital channels to ensure that we are using best practice and adapting to the changing use of social media.
- Review Legal services to develop a single operating model for the service.

17. Benefits are also tracked for each service in relation to savings, service development, resilience and capacity, and staff development. Some of the key benefits for each service that have been delivered since the last review are highlighted below, with a full summary of all service development objectives and the benefits tracker available in appendix B.

Transformation and Partnerships

- A shared performance management system to ensure a more user-friendly experience and reduced data entry time for staff. The in-house system replaces the InPhase system at South Ribble which at a nil cost compared to £40,000 for InPhase.
- Shared policies and strategies to share expertise and best practice across the councils including:
 - a) Organisational Development strategies
 - b) Transformation Strategies
 - c) Key Partnerships and Contracts Framework
 - d) HR Policy framework
- The shared strategic partnership aims to utilise shared resource and governance to enable partners to work more closely together. The partnership was agreed in September this year, and has already offered opportunities to align capacity and engagement from shared partners such as through the Shared Economic Summit
- Two graduate development roles have been recruited to, creating career opportunities for local people and developing succession planning.

Communications and Visitor Economy

- Increased capacity for Events from 3 members of staff at Chorley to 5 across the two organisations. Dedicated resource at South Ribble will help to deliver an enhanced events programme and will release capacity across other areas of the organisation.
- Succession planning for apprentice roles has allowed a postholder to take up a permanent position in the team from September 2021, supporting the retention of talented staff at the councils.
- An events intern position has been developed to provide experience to local people whilst bringing in new talent and up to date knowledge of recent developments in the sector.
- Reduction in Astley Hall staffing budget c. £9,000 through sharing of team members. The total number of FTE in the team across the councils as increased from 7.2 FTE to 11.4 creating a flexible resource for both Chorley and South Ribble.
- Improved museum, culture and tourism offer at South Ribble with the capacity to develop a conservation plan for South Ribble Museum, a tourism strategy, and a plan for operation of the Worden Hall site.

Governance

- Reduction in corporate support staffing resource delivering savings of £17k per council.
- The reduction in resource has been enabled by streamlining the corporate support team and looking to create a consistent approach across the councils. The review has still delivered resilience and flexibility to meet demand through a shared team of 8.57 FTE.
- Increased capacity for Health and Safety from 1 officer role at each council to 3 shared posts (team leader, officer, and trainee.)
- The trainee role provides an opportunity for current employees or local residents looking for a career in health and safety and the new structure provides clear succession planning and progression opportunities for key roles.

Risk Register

- The following risk register provides a summary of the key risks for shared services, in addition to the actions and controls that are in place to mitigate the potential impact on the councils.
- Since the last report in June 2021, additional actions have been identified to support staff uncertainty and wellbeing, including more opportunities for staff to meet face-to-face following the easing of Covid-19 restrictions and amendments to the Shared Change Policy to ensure a clear and consistent process is followed during restructure processes.
- 4 risks are identified as **medium-risk** in relation to impact and likelihood, and 2 risks are identified as **low-risk**. Many of the risks are mitigated by the governance arrangements for shared services including the shared services agreement.
- All risks will continue to be monitored as part of the shared services project and corporate risk registers, and any changes in risk will be captured through reporting to Shared Services Joint Committee.

Risk No. (Rnn)	Description	Controls in Place	Impact	Likelihood	Matrix Score	Actions Planned	Action Owner	Target Action Date
R1	Organisational disruption and impact on performance and service delivery	Performance management mechanisms have been strengthened to ensure close corporate oversight throughout any shared services changes.	3	3	9	<p>A delivery programme will be developed with clear timescales and milestones, supported by the transformation team to minimise impact across the councils</p> <p>A reviewed monitoring approach for Shared Services has been proposed to SSJC to allow for more frequent reporting as we move into implementing Phase 2 services.</p> <p>Additional capacity has been proposed for the Customer Services and Revenues & Benefits Review to minimise the risk of service disruption during the transformation to a single operating model.</p>	Transformation	<p>Completed</p> <p>In progress- to be agreed Feb 22</p> <p>In progress- to be agreed following consultation in Jan 22.</p>
R2	Staff uncertainty and impact on workforce wellbeing	Staff will be fully engaged and consulted throughout the changes, both informally and formally in line with the refreshed Change Policy.	3	3	9	<p>Specific training and support plans will be put in place for all staff as well as leadership support for senior management.</p> <p>Lessons learned have been incorporated into the shared Change Policy to ensure that managers follow consistent restructure processes with realistic timescales.</p>	Project Team/ HR & OD	Ongoing

						<p>Additional learning and development support is available for teams where there has been a large impact from change.</p> <p>Events are being planned to encourage more face-to-face interaction and communication between shared services colleagues and staff from across both organisations. This will help to develop a shared culture with a strong focus on wellbeing and support.</p>		
R3	Wider strategic changes to local government structures	Both organisations are fully engaged and working proactively to understand the implications of local government reorganisation. Shared services helps to strengthen the strategic position of both councils and the ability to influence and shape change through greater scale.	3	2	6			
R4	Change in political control leading to a lack of cross party support	Arrangements specified in the shared services agreement including an extended agreement and exit arrangements.	3	2	6			

R5	Loss of sovereignty	Both councils retain political independence and decision making. Robust governance and clear protocols within the shared services agreement ensure that both councils maintain individual sovereignty.	3	1	3			
R6	Different levels of future budgets for shared services across both councils	Shared Services provides opportunities for continued savings for both councils. The shared services agreement recognises committed budgets for each council.	3	1	3			

Shared Services- Service Level Performance Monitoring February 2022

Service Development Objectives

Description of the objective	What does the objective aim to achieve	Progress Update February 2022	Status
Transformation and Partnerships			
Deliver a shared HR operating model	<p>The implementation of the shared HR operating model will deliver a modern HR function that can work effectively across both councils.</p> <p>Alongside the HR system, work will also need to be undertaken to upskill service leads and managers, supporting greater self service capability to enable a more strategic HR function.</p>	<p>The shared HR system (iTrent) has now been procured and development has commenced with data being cleansed ready for testing. The system is on track to go live with payroll functionality in April 2022. Additional functionality will then be rolled out in line with the programme plan.</p> <p>The management development programme has been developed to support managers to consistently apply policies and processes in line with the shared HR operating model. This was launched in January 2022.</p>	Ongoing
Develop a shared performance management system	Deliver a project to review existing systems and identify a fit for purpose solution for data collection and reporting. This might overlap with project management systems and potentially a number of other corporate information systems e.g. risk management.	The shared performance management system has been developed in house and training on the system has taken place for all responsible officers. The system has been used for corporate reporting in Q2 and 3.	Complete

		The system will be further embedded over the coming quarter. Resource will then be refocussed to support managers and Directors by utilising performance data and service insight to provide constructive and effective advice on performance improvement.	
Communications and Visitor Economy			
Deliver and embed a shared internal communications strategy	Delivering and embedding a shared internal communications strategy will provide an opportunity to review current communication approaches and channels, considering how we can take advantage of new technology and changing working practices during Covid-19 to better communicate with colleagues and councillors.	The review of the internal communications strategy has been delayed due to performance related capacity within the team. A plan to bring the strategy back on track is now in place including additional resources in place to complete the work. While the strategy has been delayed we have continued to undertake improvements to the internal communications as guided by colleagues and we have hosted a series of thank you events in recognition of the work undertaken during the pandemic.	Ongoing
Create a shared events team	To create a new team that allows consistent delivery of events, development of the programme and frees up resource in other parts of the organisation.	The new team was implemented from 1 April with recruitment to vacant posts taking place.	Complete
Undertake a review of digital channels	Reviewing the current use of digital channels across the councils to consider improvements that could be made to current practice as well as upskilling the team. Digital channels was an area identified for improvement as part of the Shared Services Review to adapt to	Initial work for this has been completed to update some of the key processes and undertake an audit of digital channels and expanding use of our social media platforms. A wider review will be required following on from the completion of the internal communication work.	Ongoing

	changing working practices post Covid-19. It will provide an opportunity to communicate and engage with customers through the most effective channels.		
Review museums, tourism and culture service	Delivering a service review of the museums, tourism and culture teams across Chorley and South Ribble, to create a permanent solution for the South Ribble Museum and Exhibition Centre and considering how other cultural projects will be delivered.	The shared team was implemented from October 2021. Timescales were delayed slightly in order to align the review with discussions around the scale of museum services across both councils.	Complete
Governance			
Review of legal services	Delivering a service review of the shared legal service to align the function to a single operating model and enable the wider benefits of sharing services. This will include grouping of functions to enable specialisms and the consideration of the Land Charges function. Once the objective has been completed, the weighting of resourcing and expertise will reflect the business need of both councils.	Shared Team Leader roles have been appointed to as part of the wider Governance service review and proposals have been developed for the wider Legal service. The review will be on hold for 12 months to ensure that there are equal opportunities for staff who are currently on maternity leave.	Ongoing
Review of Shared Audit and Risk	The review of the Shared Audit and Risk function will reduce the resource needed within the service, with transactional work to either be automated or undertaken by Corporate Support as a centralised resource for administrative tasks.	The review of the shared Audit and Risk function has now been completed, with the new structure implemented across the organisation.	Complete

Benefits Tracker

The benefits tracker captures key savings and other benefits that have been identified as part of shared services development.

Benefit	Original position	What will the benefit achieve?	When will the benefit be delivered?	Benefits realised
Staffing savings				
Reduction in Transformation and Partnerships staffing budget	Staffing budget of £902k	Reduced cost of service managed through existing vacancies	Already achieved	£ 85k in staffing savings
Reduction in corporate support staffing resource	Separate teams for each council at cost of £156,645 to each council	One shared team with flexible resource to work across both councils and support the shared management team	Already achieved	Streamlined corporate support team with consistent approach to management of resources. Improved resilience to manage absences. Savings of £17k per council.
Reduction in Civics function staffing resource	Separate resource for civics/ facilities management and mayoral at both councils	Dependent on facilities management at South Ribble. Increased support for mayoral team.	2022	Staffing savings c. £45k (1.5 posts)
Service development				

<p>A shared performance management framework and data quality policy</p>	<p>Different approaches to performance at the councils with limited opportunity to share staffing resource. Improvement to performance management and reporting identified as an area to improve in South Ribble's AGS</p>	<p>An improved performance management framework with improved information around how to collect and manage data, where data goes and the importance of data quality. This has been supported by training for staff on how to apply the framework. This action of the AGS action plan has now been completed.</p>	<p>Already achieved</p>	<p>The consistent approach to performance management has helped to share knowledge and best practice between the councils, improving understanding of performance management with staff, and improving the quality of information that is collected for performance reporting.</p> <p>The system is more user-friendly and reduces time for staff to enter performance management information across the two councils.</p> <p>South Ribble have previously paid for the performance management system InPhase at a cost of £40,000. Moving forwards, the in-house system will mean no costs for the system in the future.</p>
<p>A consistent approach to project management</p>	<p>Different approaches to project management at the councils. No dedicated programme management office resource at South Ribble, recently established at Chorley</p>	<p>Consistent approach to project management, reducing time to collect and manage project documentation across the councils. As the programme management approach is the same, the Chorley programme management resource will also be able to provide capacity to support the delivery of</p>	<p>Already achieved</p>	<p>The consistent project management approach has helped to provide structure, rigor and corporate oversight, helping to ensure the effective delivery of corporate strategy projects.</p>

		major projects at South Ribble.		
A shared HR policy framework with modern and up to date policies	Limited alignment of HR policies between the councils and some areas where policies were outdated or not applied effectively	Shared policies which align best practice and consistent workforce management. Policies that are easier for managers to use and for staff to understand. Ability for HR staff to work effectively across both councils, increasing capacity and flexibility to manage day-to-day work with key projects.	Already achieved	The policies that have been completed so far reflect best practice and are simple and easy to use. An example is combining all the policies relating to parental leave including maternity, shared and adoption leave so that it is easier to compare options. The policies also include improvements to employee wellbeing through a reviewed benefits package.
Shared strategic partnership which can utilise shared resource and governance to enable partners to work more closely together	Both councils shared a significant number of strategic partners but had separate strategic partnership programmes	A shared strategic partnership with aligned governance, reduced duplication of meetings and efficiencies from shared resourcing.	In progress- expected 2022	<p>The benefits of a shared partnership include:</p> <p>Greater capacity to participate at scale, for example across Central Lancashire</p> <p>Enhanced engagement from leaders and key decision makers</p> <p>More effective use of collective skills, knowledge and resourcing</p> <p>Greater capacity to deliver events and engage with partners such as the recent delivery of the Economic Summit and working with the Primary Care Network</p>

<p>An integrated HR management system that provides an integrated solution and reduced duplication</p>	<p>A large proportion of HR resource is taken up by management of the HR systems, records are not consistent across the organisations.</p> <p>There are two separate HR and payroll systems for the councils.</p>	<p>Increased manager self-service to reduce duplication of work with cashable efficiencies. Improved information management.</p>	<p>In progress- expected 2022</p>	<p>The shared HR system is likely to be a streamlined and automated system that can enable more capacity for the HR team and deliver efficiency savings for the organisations.</p> <p>The system will reduce transactional processing time, allowing HR to offer an advisory function focused on case management and workforce planning.</p> <p>The system will also offer improved experiences for candidates (through a reviewed recruitment system) helping to attract the best applicants for recruitment. It will also be more user friendly for managers, reduce processing times, and provide more access to key information in real time .</p> <p>A shared payroll contract is likely to lead to early efficiencies as the councils will not be paying for two separate contracts.</p>
<p>Review of legal services- specialisms and expertise to be weighted according to business need</p>	<p>Two separate legal services- 1 with specialised roles and the other multi-disciplinary</p>	<p>Two Legal Team Leaders to provide a lead for key aspects of the service's work. Specialisms to be weighted according to business need.</p>	<p>In progress – expected 2022</p>	<p>The shared legal team will be able to respond effectively to the business needs of both organisations, with specialisms to be weighted according to service demand.</p>
<p>Reviewed communications</p>	<p>Communication often unplanned and reactive- not</p>	<p>A strategy which supports the</p>	<p>Already achieved</p>	<p>Introduction of a campaigns planner to ensure that as much activity as</p>

strategy to address issues identified across both councils	enough time and capacity to demonstrate best practice/ effectiveness for all projects	development of continuous improvement for communications across both councils. This includes ensuring communications are properly planned and communicated. Supports the delivery of actions identified within the AGS		possible is planned on an 80/20 basis.
Enhanced events programme for South Ribble	The current events programme is delivered by different teams with no single team having oversight.	It will be measured by attendance at events and feedback from visitors.	June 2022	The programme is being developed for 2022 with a view to seeing year on year improvement.
Improved museum, culture and tourism offer at South Ribble	The offer is limited at the moment due to resource pressure in the team currently delivering the function.	A conservation plan for South Ribble Museum, a tourism strategy and a plan for operation of the Worden Hall site	May 2022	Progress has been made in establishing the current position and things will move forward now the shared team has been established
Resilience and capacity				
Increased capacity of communications team	Capacity spread across different areas with limited flexibility to meet changing demand at each council.	A larger team with the flexibility and expertise to manage communications and key projects across both councils. Dedicated internal communications officer and shared resource of 4.3 FTE for communications	Already achieved	The increase in communication resource and expertise has developed capacity and flexibility to meet demand. This has been evidenced through the Covid-19 response with the team able to meet the additional challenges and workload of updating colleagues, councillors and customers. The wider team has also provided capacity to implement the new communications strategies for the councils and reduce the number of

				out of hours work required for each individual.
Increased capacity for events	3 staff in the events team at Chorley, with events delivered within other service areas at South Ribble.	5 members of staff who have the capacity to be able to deliver events across both councils. Increased capacity for events at South Ribble and the opportunity to get a lot of the planning done in the winter meaning focus can be on delivery.	Already achieved	<p>The additional capacity for events across the councils will allow for an enhanced events programme to be delivered at South Ribble. As the programme used to be delivered by staff in other services, this will also free up capacity for the core areas of their services.</p> <p>Events at both councils will have improved resilience and flexibility to meet challenges and demand, enabling a more consistent approach to event management.</p>
Increased capacity for Museums, Culture and Tourism	A single team delivering the service at Chorley with one member of staff at South Ribble.	A team working across all the sites with a variety of skills to input into the overall delivery.	Already achieved	An increase from 7.2 FTE to 11.4 FTE across both councils.
Increased capacity for Transformation and Partnerships at South Ribble including Partnerships officer, Organisational Development officer, and Transformation and Change team	Limited capacity across Transformation and Organisational Development with work carried out within other service areas.	Centralisation of resource relating to different aspects of transformation with improved capacity to support change programmes. Capacity for embedding a transformation strategy at South Ribble as a driver of change, including organisational development support to	Already achieved	<p>4 officers for Transformation and Change to support the delivery of the transformation and organisational development strategy across the councils.</p> <p>1 specialised partnerships officer.</p>

		help improve engagement		
Increased capacity for HR	2 small teams with limited flexibility or capacity for HR project work	One co-ordinated and flexible team with capacity for both business as usual and project work. Able to adapt to meet demand such as the TUPE of leisure staff in-house	Already achieved	An increase of capacity from 3 FTE at South Ribble and 5.5 FTE at Chorley to 9 FTE across both councils. Capacity available across both organisations for administration, case work and projects.
In house graphic design resource implemented at South Ribble	No dedicated resource	Reduced spending on graphic design Consistent branding across different sites and channels and shared branding for shared services	Already achieved	Allows other teams to focus on their core areas of work and leave branding and design to the specialist team. Frees up capacity and funding of teams for their core areas of work. Rebranding of South Ribble as a modern and professional authority to address legacy reputational issues
Shared Service Lead Audit and Risk role	The assurance team lacked management capacity at a senior level	Improved management capacity to support the councils in maintaining strong internal governance frameworks	Already achieved	Improved management capacity for assurance will enable the service to develop strategically, supporting both councils in delivering strong internal governance
Shared corporate support team with flexibility to meet demand across the shared leadership and management team	Two separate corporate support teams providing support to respective senior leadership teams	A more resilient team, with greater capacity to support senior leadership across the organisations.	Already achieved	Improved efficiency within the corporate support team, enabling increased flexibility to support the shared senior management team across Chorley and South Ribble. 8.57 FTE shared across both councils.

Shared democratic services team with flexibility to support across the organisations	2 democratic services team leader posts- 1 of which was vacant	Shared democratic services team leader	Already achieved	Improved capacity for democratic services management across the organisations, allowing resources to be used effectively across the councils to respond to business need.
Increased capacity for Health and Safety Team	1 officer role at each council	A team leader, officer and trainee role.	Already achieved	An increase of capacity across the organisations from 2 to 3 members of staff.
Legal review to develop roles to reflect resources required.	A range of team leader, solicitor and paralegal roles within the service.	A greater range of roles to reflect required resources including posts focused on transactional work.	In progress	Increased capacity for solicitors to focus on key duties.
Staff development				
Consistent service lead, manager and team leader levels to ensure management capacity and sustainable direct line reporting	Mix of service leads and assistant directors, some managers reporting directly to the CE at South Ribble due to lack of management tiers and vacancies, some service leads had a high number of direct line reports	Service lead, manager and team leader levels of management. Development opportunities for some staff who have taken up shared manager roles. Number of direct line reports to service leads reduced.	Already achieved	Number of direct line reports to service leads reduced: Transformation and Partnerships- from 8 to 4 Communications & Visitor Economy- reduced by 1 Governance- from 5 to 3
Succession planning including career grades and new graduate roles	Small teams with limited career progression and opportunities to develop staff for succession planning. Some career development roles at South Ribble.	Budgeted resource for graduate level roles to bring new skills and grow talent within teams. Career progression roles for talented staff , helping to develop capacity priority areas.	Already achieved	2 Transformation and Partnership Graduate roles that have now been recruited to. Career progression role for Digital Marketing apprentice- developing succession planning within this

				<p>priority area for the communication service</p> <p>Recurring events intern role which will bring in new talent and recent developments in the sector whilst providing development opportunities for local residents</p>
Progression of apprentices and other fixed term posts to permanent roles		One of the apprentices has taken up a permanent position in the Communications team at the end of their apprenticeship in September 2021.	Already achieved	Progression opportunities for apprentices and others is fixed terms posts, supporting retention of talented staff at the councils.
Events intern	There was no role in the team.	It gives an opportunity to provide experience to local people looking to pursue a career in events and helps grown our own talent should any of the more senior members of the team move on.	Already achieved.	Recurring events intern role which will bring in new talent and recent developments in the sector whilst providing development opportunities for local residents
Health and Safety Restructure	1 officer at each council.	It provides an opportunity for current employees or local residents looking for a career in health and safety. Provides succession planning and progression opportunities for key roles.	In progress – to be recruited to 2022	<p>Health and Safety trainee role to provide additional capacity and succession planning in the team.</p> <p>Health and Safety Team Leader and Officer posts providing progression opportunities and management support for the team.</p>

Shared Services- Best Practice

1. One of the benefits of shared services that has been identified as a main objective of the programme is the opportunity for the sharing of skills, expertise, experience, and best practice between the councils.
2. The shared services reviews have provided the opportunity to review the systems and processes in place across both Chorley and South Ribble, with the aim of developing a workable single operating model for the services in line with examples of best practice from each council, alongside other public and private sector organisations. For example, to ensure that new shared systems support the modernisation of services across the councils, the shared ICT review has included principles for ensuring that decisions on system procurement are based on objective measures such as meeting key specifications, usability, and overall contract costs. Similarly, new shared HR policies have been developed with consideration for current industry best practice, with the improved policies offering more robust, user-friendly and future-proof policies and processes across both councils.
3. Some further examples of best practice that has been shared between the councils is outlined below:

South Ribble – Chorley

- **Performance and Project Leads Network:** The network brings together colleagues who are involved in delivering key/ corporate projects and those who have responsibility for collecting and authorising indicators and performance. It provides an opportunity for training and sharing of best practice in these areas, with each session focusing on a specific topic, and also provides an opportunity to discuss how the management of performance and projects could be improved. The sessions are key to improving engagement with the shared project management methodologies and performance management framework in place across the councils.
- **HR Policies:** Shared services has provided an opportunity to review the HR policies across Chorley and South Ribble and develop new shared policies which reflect best practice across the organisations and the wider sector. One example of this is the proposed Improving Attendance Policy which is most similar to the current South Ribble policy and ensures a flexible approach that is supportive of staff. The policy focuses on managers identifying and acting on areas of concern and, if approved, will replace the previous approach at Chorley which has focused on trigger or action points.
- **Systems:** Several business systems that have previously been used at South Ribble have been procured for use in the shared teams due to their efficiencies or ability to offer a more complete solution to meet key specifications. One example of this is the use of the HFX system which will provide functionality for both door access and time management, which are currently managed by two separate solutions at Chorley. Similarly, Citizenspace is now used for surveys and consultation in place of SurveyMonkey as it offers a more comprehensive functionality.

- **Legal specialisms:** The review of legal services has provided an opportunity to review the resource and capacity within the team and how this is focused to meet key priorities and objectives. Shared services has enabled the restructure of the service to consider specialised roles for the legal team, something that was previously in place at South Ribble. The service is split into separate teams which will provide a lead for key aspects of the service's work, enabling staff to be more focused in their specialist areas, develop and maintain expertise, and better manage capacity for key pieces of work.
- **Customer services- specialised teams:** The review of the shared Customer Services and Revenue & Benefits service has introduced a service model and structure based around specialist teams for Customer Services, Revenues, and Benefits functions. This approach is similar to the structure currently in place at South Ribble, with the review focused on enabling customers to have direct access to a specialist in the area related to their enquiry, by creating teams of specialists for the functions with the largest volumes of customer contact. Another benefit of this approach is that it allows staff to practice and maintain specialist skills whilst developing routes of progression for staff as they gain more specialised and technical knowledge.
- **Green agenda:** The expertise and experience at South Ribble in relation to Climate Change and the Green Agenda, alongside the similarities between the boroughs, have been utilised at Chorley to help develop a programme of work to address climate change and other environmental issues. Whilst Chorley have also introduced their own projects in relation to the needs of the borough and the priorities of the administration, the Council has also drawn upon best practice from South Ribble such as the Tree Planting/ Giveaway programme.

Chorley- South Ribble

- **Governance:** Some of the existing policies and frameworks from Chorley have been reviewed and refreshed to meet the needs of South Ribble in relation to the Annual Governance Statement Action Plan. This has included areas such as an Organisational Development Strategy to support increased structure and resource for OD programmes including employee engagement and learning and development. Other examples included a reviewed performance management approach and Key Contracts and Partnerships framework. This has helped to ensure that robust governance systems are in place to ensure that the council is transparent and accountable as an organisation.
- **Service Leads:** The shared services reviews have established a Service Lead management level to provide strategic oversight of priorities, additional management capacity and resource for senior leadership. This has ensured that there is the right level of management resource in place in the shared services at South Ribble, enabling the efficiencies that have been created through the Shared Director posts.
- **Systems:** Some of the in-house systems at Chorley have been adapted for use at South Ribble in order to deliver cost or productivity efficiencies, for example the performance management system and performance review process. Chorley has also carried out a large programme of ICT work over the last few years to ensure automation and best use of systems in order to make the most out of new technology. Where it

has been reviewed to meet user specifications and deliver cost effectiveness, joint procurement has been carried out to deliver increased automation at South Ribble.

- **Events, graphic design and museums:** Shared services has introduced dedicated teams for events, graphic design, and museums, tourism and culture to South Ribble, allowing for the sharing of expertise and specialist knowledge in relation to these areas. This approach has provided additional capacity for service delivery and helped to ensure a consistent approach to branding.
- **OD Programme:** An OD strategy and programme has been introduced at South Ribble based on best practice applied in Chorley for a number of years. Tried and tested initiatives have been shared with teams at South Ribble and adapted to ensure local identity, as well as developing new schemes. Examples include an employee engagement forum, Staff Listening Days, enhanced performance review process and e-learning hub. Benefits include the implementation of more regular 'job and development discussions' to ensure that staff regularly have the opportunity to discuss personal progress with their manager. The online learning hub has enabled key training and development materials to be available and easily accessible to all staff in an interactive and engaging format, particularly during the restrictions of the pandemic.
- **Transformation:** Chorley have used a Transformation Strategy for several years to set out how the council will achieve financial sustainability and support changes to the way that people work including in relation to service delivery or customer needs. The introduction of a similar strategy at South Ribble ensures that there is a clear and measurable approach to transformation at the council.

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WORKING TOGETHER

Report of	Meeting	Date
Deputy Chief Executive	Shared Services Joint Committee	Thursday, 3 February 2022

Future development of shared services

Is this report confidential?	No
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Is this decision key?	No
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Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards
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Purpose of the Report

1. To set out the options and proposals for the future development of the councils' shared services relationship

Recommendations to Shared Services Joint Committee

2. That the shared services joint committee endorse the principles for future of shared services set out at paragraph 17.
3. That the committee endorse the proposed approach to future development of shared services; to develop a future phase that is targeted at developing resilience in service delivery and to undertake a review of management capacity.
4. To note that following consideration at the shared services joint committee, the proposals will be presented to the full council meetings in February for decision.

Reasons for recommendations

5. The recommendations will ensure that the councils have a clear vision for the next steps in the development of their shared services relationship.

Other options considered and rejected

6. The broad options that could have been taken are set out and considered within the report.

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Background

7. In line with agreements made by the two partners, the scope of the shared services arrangement between Chorley and South Ribble Councils has increased considerably in the last two years. From the longstanding shared financial and assurances services, shared services now includes:
 - Since April 2020: Governance, Transformation and Partnerships and Communications and Visitor Economy
 - Since January 2021: shared Chief Executive and Directors
 - Currently being implemented: ICT and Customer Services
8. Alongside the sharing of staff and services, the councils have adopted shared terms and conditions and a shared HR policy framework for staff within shared services.
9. This current level of sharing represents 47% of the workforce for the two councils.

2019 proposals

10. The proposals agreed by both councils in September 2019 set out a series of principles to guide the creation of shared services:
 - Both councils are committed to continuing to represent the needs, priorities and ambitions of their local residents and communities.
 - Both councils will set individual priorities and set their own budgets.
 - The councils are sharing services to reduce costs and to become more sustainable and resilient.
 - The programme for shared services will be developed and prioritised on the basis of likely return in terms of savings, but also on a basis of the needs of the councils.
 - The shared services will build on the existing shared service governance arrangements, building on what works and improving where lessons have been learnt.
 - Full shared services shall mean developing a single delivery model for service delivery except where this does not meet the needs of each sovereign council. The model for delivering services shall continue to represent the needs, priorities and ambitions of their local residents and communities.
 - The management structures will reflect a full shared service model to enable the delivery and development of shared services.
 - Shared services will be developed and implemented on a phased basis. The next phase, phase 1, shall include as a minimum HR, Legal and Democratic Services. It is likely that Communications, Policy and Transformation services shall also be included in phase 1.
 - Shared services shall be created and then transformed into a standard service delivered to both councils.
11. That report also set out an intention for further phases, with the view being that the next phase would include, as a minimum, ICT and Customer Services.
12. Given that the ICT and Customer Services reviews are underway and due to be completed in the coming months, it is an appropriate time to review the existing shared services and discuss the approach to any further changes or expansion.
13. This report sets out the potential options for further development of the shared services relationship, and potential advantages and disadvantages to each.

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Benefits and issues of shared services

14. Set out below is an initial analysis of the benefits and issues related to the shared services. It is a starting point to prompt discussion, based on the performance reports presented to the committee on a regular basis, rather than an exhaustive list.

Benefits	Issues
<ul style="list-style-type: none"> • Over £700k of savings across the two councils secured from shared services • Ability to share resources quickly between the councils to support business continuity - for example, around HGV drivers • Developing support between the councils on areas of technical expertise - for example air quality advice. 	<ul style="list-style-type: none"> • Perception of a Chorley takeover in some parts of South Ribble Borough Council • Less availability of key officers for Member contact • Perception of an impact on service delivery at Chorley • Concerns over the capacity of staff in key teams and roles • Concerns over the speed of change and the impact this has on staff morale.

15. The report elsewhere on this agenda sets out an update on existing shared services. The individual performance of the two councils continues to be monitored in line with their performance management frameworks, including regular reporting to Executive Cabinets and Overview and Scrutiny Committees. Generally, performance across the two organisations continues to be excellent.

Potential approaches to the future of shared services

16. Set out in the table below are the options for the next steps in shared services. Also included are the broad advantages and disadvantages to each approach.

Stop sharing services	Detail	Withdraw the councils either in part or whole from the shared services arrangement. This could lead to the councils providing services entirely separately, or one council providing some services to the other through an SLA rather than a shared model.
	+	<p>This option remains an option to either council if it feels that shared services is no longer appropriate to its needs in a way that cannot be remedied.</p> <p>Undertaking any withdrawal in a planned manner would be more likely to maintain positive relationships between the partners.</p>
	-	This would be relatively complex to achieve and would cause disruption to staff and potentially service delivery. It is likely that one or both councils would incur some significant costs in created separated services or posts.
Pause further expansion	Detail	<p>Either before or after the implementation of shared customer services, the councils could decide to not progress any further expansion of sharing for a period of time.</p> <p>This is an option that has been previously raised by some members of the joint committee.</p>

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	+	The advantage of this is that it would allow the councils to adjust to the new shared arrangements without further change. It would provide an opportunity to monitor the ongoing performance of the shared services.
	-	<p>However, there would still be a need for change within the organisations (for example, in services where there are issues with capacity or changing demand).</p> <p>A pause may also lead to perceptions of greater uncertainty around the future relationship between the two councils.</p>
Identify future phases of shared services	Detail	<p>Set out a vision for future shared services and the approach to a further phase. There are a number of approaches that could be taken:</p> <ul style="list-style-type: none"> • Continue with a similar approach to phases one and two – identify a directorate or service to become shared through a review • Focus on areas where one or both councils lack capacity or resilience in services
	+	<p>This would continue to build the relationships between the councils, providing the potential for additional savings and resilience. It also provides a strong signal of the continued commitment of the two councils to shared services.</p> <p>Taking a more focused approach would also provide an opportunity to limit the scope and potential impact of change.</p>
	-	<p>May create continued uncertainty and a feeling of never-ending change within the organisations.</p> <p>If the next phases seek to shared full directorates, it will demand effective leadership from senior management. If a more focussed approach is taken, the levels of savings that can be expected will be lower.</p>
Review and strengthen existing management arrangements	Detail	<p>The shared senior management team of Chief Executive and Directors has been in place since January. The tiers below (of Service Leads and Assistant Directors) is a mix of shared and non-shared roles. The Chief Executive is currently on a fixed-term contract until December 2022.</p> <p>A review could be undertaken examine any issues that currently exist in the management structure and options for any changes. This review could be undertaken with or without expanding shared services.</p>
	+	Provides an opportunity to strengthen the capacity within the management team and ensure that it fit for purpose with the current and any other planned shared services.
	-	May cause disruption in the management and leadership of the organisations. Changing management structure without the services below may continue existing issues around capacity.
Be opportunistic	Detail	Expand shared services as opportunities present themselves with vacant posts, additional work or other pressures.

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	+	Expansion of shared services continues but without the anxiety that can be caused by service reviews. Less likely to lead to compulsory redundancies.
	-	Doesn't provide for a planned approach and will be piecemeal. May lead to delays and temporary gaps in services as shared arrangements are put in place. Waiting for people to leave or ask for ERVS may mean that the change in services does not lead to the right people being in place.

Principles and objectives in shared services

17. It is an appropriate time to review and refresh the principles that the two councils agreed in 2019 to guide the development of shared services. The proposed refreshed principles are set out below. They aim to provide continuity with the existing principles, while also recognising the changing context that the two councils work in.

- Both councils are committed to continuing to represent the needs, priorities and ambitions of their local residents and communities.
- Both councils remain sovereign, with separate Leader and other decision-making. Shared services is not a pathway to merging the councils.
- Both councils will set individual priorities and set their own budgets.
- The councils are sharing services to reduce costs and to become more sustainable and resilient.
- Full shared services shall mean developing a single delivery model for service delivery except where this does not meet the needs of each sovereign council. The model for delivering services shall continue to represent the needs, priorities and ambitions of their local residents and communities.
- The management structures will reflect a full shared service model to enable the delivery and development of shared services.
- The councils maintain responsibility for managing their own performance. The shared services joint committee is responsible for ensuring that shared services function effectively in meeting those expectations.
- The councils remain committed to shared services, with the next phase prioritised on the basis of supporting greater resilience in service delivery.

Next steps in shared services

18. The section set out above provides the broad options available for the future of shared services. Based on the previous discussions held at the shared services joint committee through the development of phase one and phase two, it is proposed that the following approach is taken in the next stage of expanding shared services:

- a. **Develop proposals for a further phase of shared services.** This would be based on being on a smaller scale than phases one and two. Rather than a full directorate, it would be targeted at functions and roles where there is an identified need for change.
- b. **Undertake a review of management capacity across the two councils.** The review would focus on the senior management team and direct line reports. It would consider the impact of shared services and the capacity within the current arrangements to deliver the priorities of the councils.

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19. Further detail on the proposed approach is set out below.

Develop proposals for a further phase of shared services

20. The approach adopted within the first two phases of shared services has been to share a full directorate, undertaking reviews that define the shared delivery model and produce longer-term development plans.
21. This brings some significant benefits, particularly around generating savings, but also around the ability to create cohesive change across full functions which considers the service delivery model as a whole. This approach does, however, have some disadvantages. It potentially creates uncertainty for staff during review periods and the wider organisations in terms of how services are delivered.
22. Rather than identifying a full directorate to form the next phase for shared services, it is proposed that the next phase focuses on specific posts or functions where there is an identified need for change.
23. The approach that will be taken is:
- Work will be undertaken for each council separately to identify the functions or posts where sharing may be beneficial. This may be because of; a lack of capacity; existing temporary arrangements; new priorities; or, a need for specialist capacity.
 - Analysis to highlight areas of common need, or where sharing will support one council to deliver a function while maintaining or improving the performance for the other.
 - Creation of proposals for phase three for discussion and endorsement by the shared services joint committee.

Undertake a review of management capacity across the two councils

24. The councils already shared their Chief Executive, Deputy Chief Executive and Directors. These arrangements have been in place for nearly 12 months. The tier below directors is mixed, with shared and non-shared posts. In addition, the level of the posts is also mixed, with Service Leads/Assistant Directors, service managers and team leaders.
25. There is a potential risk that this mixed approach could lead to challenges in ensuring consistent standards across services, and inconsistent capacity across the councils.
26. The proposed approach to a review of management capacity is:
- An initial stage will be undertaken separately to assess the current management capacity available to the councils, the strengths, gaps and issues. This will potentially include individual feedback sessions for managers, analysis of service performance, staff satisfaction results and time recording exercises.
 - Analysis of potential functions where sharing may be beneficial
 - Development of proposals for cohesive management structures for the councils, which may be shared or non-shared.
27. If the proposed approach is agreed by the shared services joint committee, the next steps would be to take an update report to the respective council meetings in February to gain approval for the planned approach. Work is being undertaken to prepare for the review, initially focussing on identifying any areas where there is capacity lacking in key areas. If any issues are identified through this work, these will be highlighted in the council reports.

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Comments of the Statutory Finance Officer

28. The staffing savings achieved through shared services to date is set out in the monitoring report elsewhere on the agenda to this meeting. The proposals in this report will likely lead to a smaller and more targeted future phase of shared services, which is likely to reduce the potential scale of further savings. This will be considered in the scoping work for the next stage, as well as in the two councils' budget setting processes.

Comments of the Monitoring Officer

29. There are no concerns to raise from a Monitoring Officer perspective. If any changes to working arrangements and structures are ultimately pursued then the councils will have regard to the relevant provisions of the Change policies and all relevant HR policies.

There are no background papers to this report)

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