

## Shared Services Joint Committee

Thursday, 10th February, 2022, 4.30 pm

Shield Room, Civic Centre, West Paddock, Leyland or Microsoft Teams

### Agenda

1. **Apologies for Absence**

2. **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.

3. **Shared Services Future Development updated report**

Report of the Deputy Chief Executive attached.

(Pages 3 - 30)

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).

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| Report of       | Meeting                         | Date                       |
|-----------------|---------------------------------|----------------------------|
| Chief Executive | Shared Services Joint Committee | Thursday, 10 February 2022 |

## Shared Services Future Development updated report

|                              |    |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

|                       |    |
|-----------------------|----|
| Is this decision key? | No |
|-----------------------|----|

Set out below is the draft council report which it is proposed will be presented to the full council meetings in February. The content of the report is substantially the same as the report discussed at the shared services joint committee on 3 February. The differences are:

- Inclusion of the monitoring report and pest control proposals as appendices
- Changed presentation of the proposals for the future development of shared services to provide greater clarity (paragraph 22)
- Inclusion of proposals for additional capacity in key priority areas (paragraph 23 to 40)

### Purpose of the Report

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

### Recommendations to Council

2. That the principles for the shared services relationship with Chorley / South Ribble Borough Council set out at paragraph 21 should be approved.
3. That the approach to the future development of shared services set out at paragraph 22 be approved.
4. To approve the creation of a Strategic Lead (Future Investments) as a shared post.
5. To approve the creation of a Director of Change and Delivery as a shared post.
6. To approve for consultation the creation of a permanent shared arrangement for development projects, with authority delegated to the Leader to approve the final arrangements.

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7. To approve for consultation the creation of a shared pest control service, with authority delegated to the Leader to approve the final arrangements.

## **Reasons for recommendations**

8. The recommendations will ensure that the councils have a clear vision for the next steps in the development of their shared services relationship. The additional capacity will ensure that the councils are able to deliver key priorities and services.

## **Other options considered and rejected**

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

## **Executive summary**

10. In September 2019, Chorley Council and South Ribble Borough Council agreed to significantly expand their shared services relationship. This report sets out the broad options for the future development of that relationship and proposes that work should be undertaken to review management capacity for the two councils, as well as defining a targeted phase three. In addition, the report proposes the creation of additional senior capacity to support the councils in delivering their priorities and the creation of shared resources for development projects and pest control.

## **Background to the report**

11. 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
12. 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.
13. This current level of sharing represents 47% of the workforce for the two councils.

## 2019 proposals

14. The proposals agreed by both councils in September 2019 set out a series of principles to guide the expansion 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.

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- 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.

15. That report also set out an intention for further phases, with the view being that phase two of the expansion would include, as a minimum, ICT and Customer Services.

16. Following the reviews undertaken in customer services and ICT, the Shared Services Joint Committee considered the potential options for the future development of the shared services relationship. This report sets out:

- the broad benefits and issues in the shared services relationship;
- the options for the future development of shared services and the conclusion of the shared services joint committee;
- proposals for the future development of shared services; and,
- proposals for developing additional capacity in key priority areas.

## Benefits and issues of shared services

17. The February meeting of the shared services joint committee considered the most recent performance monitoring report. That report is attached as Appendix A, providing an overview of the performance of the existing shared service arrangements.

18. In addition to the performance report set out at Appendix A, the Shared Services Joint Committee considered the broad benefits and issues with the shared services relationship. These are set out in the table below.

| Benefits  | Issues   |
|---|--|
| <ul style="list-style-type: none"> <li>• Over £1.3m of savings across the two councils secured from shared services</li> <li>• Ability to share resources quickly between the councils to support business continuity - for example, around HGV drivers</li> <li>• Developing support between the councils on areas of technical expertise - for example air quality advice.</li> </ul> | <ul style="list-style-type: none"> <li>• Perception of a Chorley takeover in some parts of South Ribble Borough Council</li> <li>• Less availability of key officers for Member contact</li> <li>• Perception of an adverse impact on service delivery at Chorley</li> <li>• Concerns over the capacity of staff in key teams and roles</li> <li>• Concerns over the speed of change and the impact this has on staff morale.</li> </ul> |

## Options for the future development of shared services

19. 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.

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|  |               |   |
|--|---------------|---|
| <b>Stop sharing services</b>                     | <b>Detail</b> | 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.  |
|  | <b>+</b>      | <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>   |
|  | <b>-</b>      | 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.   |
| <b>Pause further expansion</b>                   | <b>Detail</b> | <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>   |
|  | <b>+</b>      | 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.   |
|  | <b>-</b>      | <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>   |
| <b>Identify future phases of shared services</b> | <b>Detail</b> | <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"> <li>• Continue with a similar approach to phases one and two – identify a directorate or service to become shared through a review</li> <li>• Focus on areas where one or both councils lack capacity or resilience in services</li> </ul> |
|  | <b>+</b>      | <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>  |
|  | <b>-</b>      | <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</p>   |

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|   |               |  |
|---|---------------|--|
|   |               | approach is taken, the levels of savings that can be expected will be lower.   |
| <b>Review and strengthen existing management arrangements</b> | <b>Detail</b> | 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.<br><br>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. |
|   | <b>+</b>      | 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.   |
|   | <b>-</b>      | May cause disruption in the management and leadership of the organisations. Changing management structure without the services below may continue existing issues around capacity.   |
| <b>Be opportunistic</b>                                       | <b>Detail</b> | Expand shared services as opportunities present themselves with vacant posts, additional work or other pressures.  |
|   | <b>+</b>      | Expansion of shared services continues but without the anxiety that can be caused by service reviews. Less likely to lead to compulsory redundancies.  |
|   | <b>-</b>      | 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.  |

## Proposals for the future of shared services

20. This section sets out proposals for the future development of shared services.

### Refreshed principles guiding shared services

21. 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.

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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.

## Proposals for future development

22. Following consideration of the available options, the shared services joint committee propose that the councils should pursue two workstreams to further develop shared services:

- a. **Undertake a review of management capacity across the two councils.** The councils already share their Chief Executive, Deputy Chief Executive and Directors. These arrangements have been in place for just over 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.

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.

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

The output of this review will be a report that will be presented to the shared services joint committee before being considered by the relevant council committee.

- b. **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 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.

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; the potential for savings or improved staff recruitment and retention.



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- 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.

The output of the review will be proposals for a roadmap for future development of shared services, which will be presented to the shared services joint committee for consideration before being considered at relevant individual council meetings.

## **Proposals for developing additional capacity in key priorities**

23. The section above sets out proposals to review current challenges and plan for future development of shared services. There are, however, challenges being faced by the councils that need to be addressed in advance of those reviews being completed. Set out below are proposals for additional capacity in key areas.

### Future investment and development

24. Both councils continue to be ambitious in seeking to improve their boroughs and the services to residents. Both councils have the potential for significant developments taking place in the coming years that need to be carefully managed to ensure risks are mitigated and the potential benefits realised. This includes:
- The South Ribble Cuerden site linked to the City Deal
  - The large-scale application anticipated for South Ribble at the Cuerdale site
  - A need to identify future development sites within Chorley, including sites that are within and outside the council's ownership.
25. Existing teams, particularly in Planning and Development and Commercial Services will have important roles to play in these pieces of work, but the potential scale and impact of these developments mean that it is important that the councils have additional capacity to manage the work. This will ensure that the councils are well-positioned to ensure that they deliver benefits to the boroughs.
26. In addition, the recently published Levelling Up White Paper also indicates the UK Shared Prosperity Fund will be devolved to local leaders, with most of the fund devolved to and invested by district councils. This means that the councils will need to prepare to make the most of opportunities to attract funding and schemes to their boroughs.
27. It is proposed to create a senior post that will manage the development of future opportunities on behalf of the councils. The post will be responsible for:
- Managing the non-local planning authority relationships and representing the councils with partners and other stakeholders
  - Identifying and evaluating potential land development opportunities for the councils
  - Leading site assembly work and negotiations on behalf of the councils
  - Overseeing work to promote potential sites to developers, including any necessary masterplanning.
28. The post will be the Strategic Lead for Future Investments. It will report directly to the Chief Executive. As a senior post, it will be paid at a spot salary of £75,000. It will be a shared post, with the costs split 50:50 between the councils.
29. If approved, in line with the councils' relevant policies, the post will be advertised initially internally. The recruitment process will be overseen by the shared services appointment panel.

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## Organisational change and development

30. Both organisations have gone through significant change in the last two years. The expansion of shared services has been a key catalyst, but change has also come through the pandemic, new uses for technology and new organisational priorities.
31. The councils continue to perform highly, demonstrated through the recent resident satisfaction surveys for both and the delivery of Corporate Strategies. There are, however, challenges that have been highlighted in recent discussions at the shared services joint committee. This includes, for example, staff satisfaction, recruitment and retention of staff, capacity of key officers to manage organisational change.
32. A key challenge in having a shared senior management team is the capacity of directors to manage a demanding agenda while also leading and managing change. Additional capacity is needed to better support organisational change and support the effective working of the senior management team.
33. It is proposed to create a senior post to increase capacity and improve the management of change across the councils. The post would have responsibility for:
- Be a member of the senior management team, supporting the Leaders and Cabinets in developing and delivering agree priorities.
  - Leading the implementation of the shared services development plans
  - Leading the development and implementation of Organisational Development and People Strategies for the councils
  - Development and oversight of the councils' transformation programmes and key change projects
  - Project lead for the development of the economic development strategies
  - Development of shared services phase three
  - Senior lead for corporate strategy, budget investment and key priority delivery programmes
  - Senior lead for Public Service Reform and partnerships
34. The new post will be Director of Change and Delivery. It will report to the Deputy Chief Executive and the salary will be in line with the existing shared directors, starting at £75,000. The cost of the post will be shared 50:50 between the council.
35. If approved, in line with the councils' relevant policies, the post will be advertised initially internally. The recruitment process will be overseen by the shared services appointment panel.

## Capital developments

36. The councils have extensive and ambitious capital developments underway and planned. There are already some temporary sharing arrangements in place, with South Ribble Borough Council making use of internal capacity from Chorley by paying a day rate.
37. Examples of the projects are:

| Chorley  | South Ribble   |
|--|--|
| <ul style="list-style-type: none"> <li>• Whittle GP Surgery</li> <li>• Tatton development</li> <li>• Strawberry Meadows</li> <li>• Bengal Street site development</li> </ul> | <ul style="list-style-type: none"> <li>• Town Deal</li> <li>• Worden Hall</li> <li>• Extra Care Facility</li> <li>• McKenzie Arms development</li> </ul> |

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38. These arrangements have worked effectively, but there is an opportunity to formalise them. It is proposed that the temporary arrangements should be made permanent. This would encompass:
- Shared Service Lead (Development)
  - Development Manager x 2
  - External client-side project management
  - External specialist support (for example QS)

39. The external resources are associated with individual projects and are budgeted for in those projects.

40. The internal staffing costs will be split on a 50:50 basis. While there are existing postholders working across the two councils through the temporary arrangements, the permanent arrangements will be implemented in line with the councils' Change Policy. This will include consultation with effected staff. Once the consultation is completed, the proposals will be presented for approval via the relevant Executive Member.

## Pest Control

41. Shared Services Joint Committee have endorsed a proposal to share the councils' pest control service. Chorley Council is currently making use of an external contract to deliver its pest control service, and there is an opportunity to improve the service available to Chorley while also building resilience for both councils by sharing.

42. The full proposal is included as Appendix B.

## **Climate change and air quality**

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

## **Equality and diversity**

44. The proposals within this report do not have a direct impact on equality considerations.

## **Risk**

45. Risk management is regularly reported to the shared services joint committee, with the latest assessment being included in the monitoring report at Appendix A.

## **Comments of the Statutory Finance Officer**

46. The staffing savings achieved through shared services to date are set out at Appendix A. 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 budget setting process for both councils.

47. The costs and funding for the specific proposals above, including on-costs for Employers National Insurance and Pension costs) are as follows;

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| POST  | CBC      | SRBC    | TOTAL    |
|---|----------|---------|----------|
| Director of Change and Delivery   | 48,000   | 48,000  | 96,000   |
| <p><b>Funding</b><br/>The costs can be met within the 22/23 budget following receipt of the Final Local Govt Financial Settlement on 7<sup>th</sup> February, which provided an increase in funding compared to Provisional Settlement announced back in December 2021.</p>   |          |         |          |
| Strategic Lead (Future Investments)   | 48,000   | 48,000  | 96,000   |
| <p><b>Funding</b></p> <ul style="list-style-type: none"> <li>• At CBC - the additional costs would be covered by the revenue budget savings generated through the capitalisation of costs of the Development Projects Team costs as noted below.</li> <li>• At SRBC - the costs can be met within the 22/23 budget following the increase in funding in the Final Settlement referred to above.</li> </ul>  |          |         |          |
| Shared Development Projects Team  |          |         |          |
| re: capitalisation of team costs  | (87,750) | -       | (87,750) |
| re: impact of shared services revenue costs   | (43,750) | 43,750  | -        |
| <p><b>Funding</b> – It is assumed that moving forward, 50% of the costs of the Shared Development Projects Team will be capitalised and charged against the specific capital schemes that the individual members of the team work on.<br/>At CBC, the costs of the team are full charged to revenue and so this would lead to a saving in the existing revenue budget of £87,750.<br/>The remaining 50% of costs are assumed to be Revenue costs and would be split 50:50 between the 2 councils.<br/>At SRBC - the costs can be met within the 22/23 budget following the increase in funding in the Final Settlement referred to above.</p> |          |         |          |
| Shared pest control service   | 32,700   | (2,800) | 29,900   |
| <p><b>Funding</b><br/>At CBC the costs can be met within the 22/23 budget following the increase in funding in the Final Settlement referred to above.<br/>There is a slight saving in the existing budget at SRBC.</p>   |          |         |          |

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## Comments of the Monitoring Officer

48. There are no concerns to raise from a Monitoring Officer perspective. The proposals detail how the roles will contribute to how the Councils will deliver best value by prioritising capacity in the highlighted areas and how these roles will contribute to the Councils' outcomes. 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

## Appendices

Appendix A: February monitoring report

Appendix B: Shared pest control proposals

| Report Author:             | Email:   | Date:         |
|----------------------------|--|---------------|
| Gary Hall<br>Chris Sinnott | Gary.hall@chorley.gov.uk /<br>gary.hall@southribble.gov.uk<br><br>chris.sinnott@chorley.gov.uk /<br>chris.sinnott@southribble.gov.uk | 9 Feb<br>2022 |

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## Appendix A

### 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.

|   | <b>(Savings)/Additional Cost (000's)</b> |              |                |
|---|--|--------------|----------------|
|   | <b>CBC</b>                               | <b>SRBC</b>  | <b>Total</b>   |
| <b>Original shared services</b>   |  |              |                |
| Recurring savings delivered through shared financial and assurance services | (306)                                    | (306)        | (611)          |
|   |  |              |                |
| 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             |
|   |  |              |                |
| <b>Phase 1 - Total</b>  | <b>(177)</b>                             | <b>(160)</b> | <b>(337)</b>   |
| Chief Executive   | (58)                                     | (76)         | (134)          |
| Director Posts  | (90)                                     | (53)         | (143)          |
| ICT Review - Phase one and Two  | (48)                                     | (33)         | (81)           |
| Corporate Support   | (17)                                     | (17)         | (34)           |
|   |  |              |                |
| <b>Phase 2</b>  | <b>(214)</b>                             | <b>(179)</b> | <b>(392)</b>   |
|   |  |              |                |
| <b>Total Savings</b>  | <b>(696)</b>                             | <b>(644)</b> | <b>(1,340)</b> |

- 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.

4. 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 March.
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.

| <b>Budgeted charges across Councils 21/22</b>                |                     |  |                  |                  |                  |
|--|---------------------|--|------------------|------------------|------------------|
| <b>Budget Area</b>   | <b>Host Council</b> | <b>Split Basis CBC/SRBC</b>                | <b>CBC</b>       | <b>SRBC</b>      | <b>Total</b>     |
| 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          |
|  |                     |  | <b>3,628,593</b> | <b>3,078,373</b> | <b>6,706,966</b> |



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 2021. 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.

## **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 &amp; 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.<br><br>The shared services agreement recognises committed budgets for each council.                                    | 3 | 1 | 3 |  |  |  |

## 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.

## Appendix B

### Pest Control Shared Service Delivery

#### Purpose of the Report

1. To set out proposals for a shared pest control service.

#### Background to the report

2. The Pest Control Service in Chorley was highlighted as requiring a review prior to the pandemic as it was recognised the service could be improved. Chorley offered limited services in addition to the free rodent domestic service and had very few commercial contract agreements. The service was delivered externally by a single pest control technician therefore response times could be up to seven days and this posed a risk to business continuity.
3. In March 2020 the contractor delivering the pest control service at Chorley Council was no longer in a position to deliver this service. Therefore, a temporary short-term external service has remained in place during the pandemic. It has remained in place longer than originally anticipated; however, this has now allowed an accurate annual cost comparison in relation to an internal service.

#### Proposed staffing structure

4. Based on the service delivery requirements the below staffing structure and costings would be required to create a shared service.
5. The capacity already in place at South Ribble (which consists of two Pest Control Officers, managed by a Senior Environmental Health Manager) would be changed and expanded to include:
  - Management – (15%) Senior EHO and (5%) Service Manager
  - 1 Pest Control Officer
  - 3 Pest Control Technicians
6. The posts would be employed on the shared terms and conditions and the employment of existing staff would continue with their existing employer.

|   |                 |
|---|-----------------|
| Shared Management – existing posts to be recharged for the time they spend managing the service | £11,540         |
| 1 FTE Pest Control Officer Grade 6  | £36,379         |
| 3 FTE Pest Control Technicians – Grade 5  | £99,781         |
| <b>Total</b>  | <b>£147,700</b> |

## Plan for implementation

7. As set out above, Chorley Council currently has in place temporary arrangements for the delivery of its pest control service. The service is being undertaken by a third-party operator. While the service is sufficient, the costs mean that a full procurement exercise will need to be undertaken if the contract is extended further. It is for this reason that these proposals are being presented to the Shared Services Joint Committee separate to the more comprehensive consideration of the future development of shared services.
8. If the proposals to create a shared service are endorsed and approved, the capacity of the service will be expanded alongside the wider changes needed for the implementation of a shared service. These are set out in the table below.

| Barrier  | Short Term Solution   | Long Term Requirement  |
|--|---|--|
| Staffing: there is currently a vacancy within the existing team at South Ribble  | Recruitment 1x Pest Control Technician is currently advertised  | If the service delivery proposal is agreed – a further 2x Pest Control Technicians will be recruited   |
| ICT – As two separate services, there are different ICT systems in place to manage service requests and appointments   | All pest control officers will be trained on the current operations at each authority and continue to use these until required developments and improvements can be implemented | A joint ICT and Pest Control project is agreed to implement an improved or new shared common working mobile platform that is compatible with both CBC and SRBC back office functions |
| Vehicles –2 additional vehicles required, in addition to the existing two at SRBC. A review and procurement exercise of vehicle usage at Chorley has just recently been undertaken –there is an anticipated wait of up to six months for the vehicles if hire agreements are agreed. | Temporary hire of 2x Vans, until procured lease vehicles can be provided  | Agree 2x additional vans to be leased by CBC on behalf of the shared service <b>or</b> ;<br><br>Purchase of two new electric vans at an approximate cost of £54,000                  |

## New Shared Service Costings

9. The below tables break down the anticipated overall shared service costings and comparison to the current allocated budgets:

New Shared Service Costs:

| Costs                               | Combined   | SRBC           | CBC            |
|-------------------------------------|--|----------------|----------------|
| Staffing 50/50                      | £147,700   | £73,850        | £73,850        |
| Equipment and supplies 50/50        | £12,000  | £6,000         | £6,000         |
| New Vans CBC (lease payments)       | £7,000   |                | £7,000         |
| Vans Operational Cost               | £5,000   | £2,500         | £2,500         |
| <b>Total costs before income</b>    | <b>£171,700</b>  | <b>£82,350</b> | <b>£89,350</b> |
| Forecast Income                     | -£66,000   | -£46,000       | -£20,000       |
| <b>After Income</b>                 | <b>£105,700</b>  | <b>£36,350</b> | <b>£69,350</b> |
| Current budget – Pest Control       | £68,368  | £33,368        | £35,000        |
| Current Budget – Management Costs   | £7,429   | £5,770         | £1,659         |
| <b>Change in Budget requirement</b> | <b>£29,903</b>   | <b>-£2,788</b> | <b>£32,691</b> |
| One off costs                       | £2,750 – van fitting out and temporary van rental if required. |                |                |

10. The new service shared service would make a small saving of £2.8k for South Ribble on existing service cost and an increase of £32.7k for Chorley. This increase for Chorley should be considered against a £70k overspend in 21/22 following the existing contractor no longer being available.
11. Costs of management time are from existing budgeted employees. There is an increase of cost to Chorley due to an element of South Ribble staff time being charged.
12. South Ribble has historically generated more income than Chorley in relation to pest control. The new structure assumed a continuation of existing income levels at South Ribble and an increase in income of £10k at Chorley bringing the budget to £20k.
13. There is slight budget difference in regard to transport costs as South Ribble own their vehicles and Chorley will look to lease theirs going forward.
14. The costs are shown currently as a 50/50 split, the number of domestic treatments is comparable across each borough. There is a larger income budget at SRBC due to established commercial contracts, although there is a lower income budget at CBC proposed at £20k it is anticipated resources will be required equally in order to initially establish and implement commercial contractual agreements at CBC.

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