

Report of	Meeting	Date
Deputy Chief Executive (Introduced by Leader of the Council )	Scrutiny Committee	Thursday, 17 March 2022

## Shared Services Update

Is this report confidential?	No
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Is this decision key?	Not applicable
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### Purpose of the Report

1. To provide an update to scrutiny on the shared services arrangements with Chorley Council

### Recommendations to Scrutiny Committee

2. To note the update.

### Corporate priorities

3. The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

### Background to the report

4. South Ribble Borough Council have had in place shared services with Chorley Council for close to 15 years. Since 2019, this relationship has expanded significantly to include the Chief Executive and directors and almost 50% of employees. At its February meeting, full council considered proposals on the future development of the shared services relationship, as well as information about the benefits secured through the expanded arrangements.
5. This report sets out a summary of those proposals and context.

## Principles for shared services

6. The two councils agreed a set of principles to guide the development of shared services in 2019. Updated principles were agreed by the two councils in February 2022. In setting the principles, the councils were committed to securing the potential benefits while also managing the risks that sharing could entail. They were also keen to ensure that both councils maintained their sovereignty, with no longer term plan to merge the authorities. The principles are set out below.
- 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.

## Performance monitoring shared services

7. The performance of services that are shared is included in the council's performance management framework. This means that the performance is reported alongside other non-shared services through the quarterly performance report, updates to scrutiny full committee and the scrutiny budget and performance panel.
8. The shared services joint committee oversees the shared services relationship. Drawing membership from both councils and all parties, the committee considers proposals for changes to shared services as well as monitoring the performance of the relationship. At its February meeting, it agreed a new approach to monitoring performance monitoring:

Report	Content
Every meeting (of the shared services joint committee) – 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"> <li>• Service development objectives</li> <li>• Service performance against measures outlined in the service business plan</li> </ul>

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

9. As the management of service performance rests with the two councils individually, the focus of the reporting to the shared services joint committee is on the development and implementation of shared services. For example, the service development objectives are those that were developed and agreed in the service reviews that were undertaken when the services became shared.
10. Set out at Appendix A is the monitoring report that was presented to the shared services joint committee and council meetings in February.

### **Future development of shared services**

11. The councils considered a report on the future development of shared services in February. That report set out the broad options available to the councils in developing shared services further. The councils agreed two key 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.
- 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.

### **Climate change and air quality**

12. 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**

13. No implications.

### **Risk**

14. The risks in the shared services relationship are included within the regular monitoring reports to the shared services joint committee.

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

15. There are no financial implications of the report.

### **Comments of the Monitoring Officer**

16. This report is for information and updating. There are no legal implications arising from it.

There are no background papers to this report

### **Appendices**

Appendix A: shared services monitoring report

Report Author:	Email:	Telephone:	Date:
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