

Report of	Meeting	Date
Deputy Chief Executive	Shared Services Joint Committee	Monday, 27 June 2022

## Shared Services Monitoring Report- June 2022

Is this report confidential?	No
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Is this decision key?	
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Savings or expenditure amounting to greater than £100,000	No
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### Purpose of the Report

1. This report provides an update on the phase 1 and 2 shared services between Chorley Council and South Ribble Borough Council in relation to savings and budgets, service development objectives, performance, staff satisfaction, and risk.

### Recommendations to Shared Services Joint Committee

2. To consider the shared services monitoring report and note the current progress for phase 1 and 2 services.

### Reasons for recommendations

3. The monitoring report provides quarterly updates on Chorley and South Ribble's shared services arrangements, allowing the Committee to regularly monitor progress and performance.

### Other options considered and rejected

4. This report is for noting only and so there are no other options to consider.

### Executive summary

5. This report provides a quarterly update on the phase 1 and 2 shared services between Chorley Council and South Ribble Borough Council including updates in relation to:
  - a) Staffing and budgets overview
  - b) Staff satisfaction
  - c) Progression against service development objectives

- d) Service performance
- e) Risk review

6. Overall, performance across the shared services has been good. Most of the original service development actions are completed for the phase 1 services which have now become more embedded as shared functions working across both councils. The Customer and ICT services have made progress in the delivery of their shared operating models despite challenges in relation to capacity as recruitment to the services is ongoing. It is expected that further progress will be made over the next quarter as posts are filled.

## Background

- 7. Phase 1 shared services including Transformation and Partnerships, Communications and Visitor Economy and Governance services were implemented in April 2020 with the restructures for the services completed in November 2020. A number of teams have also been reviewed after this date including Events, and Museums, Tourism and Culture in the Communications and Visitor Economy service and Health and Safety and Corporate Support in the Governance service.
- 8. Previous monitoring reports on phase 1 shared services have been presented to the Shared Services Joint Committee every six months and moving forwards will be presented quarterly to allow for more frequent monitoring as agreed by the Committee. Quarterly monitoring reports are to be presented alongside an annual review in Q1 2022/23 to provide a more in depth overview of benefits realisation and best practice.
- 9. The phase 2 shared services were implemented in November 2021 for ICT and March 2022 for Customer Services. This is the first time that the monitoring report has included updates against these services.

## Savings and budgets

10. 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
<b>Original Shared Services</b>			
Recurring savings delivered through shared financial and assurance services	(306)	(306)	(612)
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)
Customer Services	(208)	(112)	(320)
<b>Phase 2</b>	<b>(421)</b>	<b>(291)</b>	<b>(713)</b>
<b>Total Savings</b>	<b>(904)</b>	<b>(757)</b>	<b>(1,662)</b>

11. The original Shared Services savings relate to finance and assurance services now shared for over a decade. 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.
12. 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
13. 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) and Customer Services review have also generated savings across the councils.
14. The table below details the current service areas and splits across the two Councils. The overall cost split works out as £4.96m at CBC and £4.91m at SRBC. Most services operate on a 50/50 basis with exceptions reflecting the specific needs of either authority.

Service Area	Host Council	Split Basis CBC/SRBC	Comments
Senior Management Team	CBC / SRBC	50/50	
Transformation and Partnerships	CBC	50/50 apart from 1 employee	Community Wealth Building is 100% charged to SRBC
Future Investments	CBC	50/50	

Human Resources	CBC	50/50 apart from 2 employees	Two employees are charged to respective leisure companies.
Shared Financial Services	CBC	50/50	
Customer Services	Both	50/50	
ICT	Both	50/50 (infrastructure team is 40/60)	
Governance Management	SRBC	50/50	
Democratic Services	SRBC	50/50	
Legal Services	SRBC	All 50/50 apart from 1 employee	Land Charges Clerk is 100% charged to SRBC
Procurement & Contract Management	SRBC	50/50	
Audit Services	SRBC	50/50	
Communications	SRBC	50/50	
Chorley Events	SRBC	60/40	
Civic Services Team	SRBC	100/0	
Town Hall Cleaners	SRBC	100/0	
Union Street Cleaners	SRBC	100/0	
Lancastrian Room	SRBC	100/0	
Office Support Services	SRBC	50/50	
Health and Safety	SRBC	50/50	
Museum, Culture and Tourism	SRBC	4 x 100% CBC 2 x 70% CBC 8 x 50% CBC 1 X 100% SRBC	Specific to make up of service and museums.

15. The above table demonstrates the service 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. These include specific Chorley

services around the Town Hall, Union Street and Lancastrian Room.

16. Unlike the rest of Shared Services within Customer Services and ICT there is no specific host Council. The posts are employed and shared across both Councils and recharged on a 50/50 basis.

### Staff Satisfaction

17. Staff satisfaction within shared services has been measured through the Pulse Survey which is to be conducted several times a year for all services across both councils. The survey asks staff questions around:

- understanding of how their service contributes to delivering the priorities of the councils/ shared services
- understanding of their role within their directorate/ shared services
- if they have the skills and knowledge needed for their role
- overall happiness with their jobs.

18. The survey also provides an opportunity for staff to provide written feedback around overall sense of wellbeing.

19. 125 members of shared services staff completed the survey which represents just less than half of all shared staff.

	Phase One	ICT*	Customer Services and Revenues & Benefits
Understanding of Service	92%	85%	74%
Understanding of Role	95%	85%	74%
Skills and Knowledge	94%	85%	84%
Overall, happy in job	77%	85%	24%

\*ICT is a smaller service and received 7 responses which could indicate why percentages are the same across all survey areas.

20. Outlined above is a summary of the findings of the pulse survey for phase 1 and 2 services. This indicates that understanding, skills and knowledge, and satisfaction is high across phase 1 services where the transition to shared operating models have been further embedded. This is also supported by the following positive feedback from staff:

- The service has improved since the move to shared services despite the transition being difficult at first. There is a positive future for the service.
- There is a planned approach to work, with clear deadlines and regular communication with service management and directors.
- Staff enjoy work and their roles and there is good morale across the teams.

21. For phase 2 of shared services, ICT, which became a shared service in November 2021, has mainly positive feedback despite issues relating to a large volume of priority work and ongoing recruitment to some of the vacant roles within the service. This suggests that 1:1 development discussions with staff, and communication and engagement from service management has helped to embed the service as a shared team. A full staff development programme will be delivered once vacant positions have been filled and will help to further develop staff understanding of service and role alongside training to support gaps in skills and knowledge.

22. In Customer Services, challenges in relation to capacity remain, with vacant roles and additional positions currently being recruited to. This is reflected in the feedback from staff which suggests that workload and capacity are the largest issues which impact on staff wellbeing. Staff who responded to the survey showed that overall happiness in jobs for the service is at 24% with a further 20% of staff saying that they are neither happy nor unhappy. Ongoing recruitment and an induction and development plan are being delivered to help support staff throughout this period.

23. Some of the key areas for further development are as follows:

- Some staff feel that there is not an equal presence for services based at one council or the other. This will be addressed through the accommodation projects to ensure consistency across service areas.
- Current workloads within Customer Services have increased lead times for customers and backlogs for Revenues and Benefits. Recruitment is ongoing to help mitigate capacity issues, and work is being outsourced to agency staff where needed in the interim. The recruitment to the vacant Customer Services Manager post will help to improve the capacity of service management and help address issues in relation to service communication and support for staff.
- Continue embedding the newly established Phase Two service teams, with each service having a dedicated plan.
- Continuing to support staff across shared services through networking opportunities, 1 to 1 development discussions and manager meetings to identify and address any raised issues.

## **Service Level Development**

24. Each service has identified several service development objectives to set out the transformation and development of the shared services to a single operating model. These are refreshed annually to reflect continuous improvement of the services.
25. Most of the actions from the original phase 1 service development objectives have now been completed. These have been refreshed in May 2022 following the annual business planning process and will be reported on to Shared Services Joint Committee moving forwards.
26. The phase 2 service development objectives were identified as part of the approval of the proposals for the shared services. ICT became a shared service in November 2021, and Customer Services in March 2022. The services have completed initial work against their objectives to begin implementing shared models despite challenges in relation to capacity, high-priority pieces of work and service demand such as significant infrastructure improvements and processing the council tax rebate. There is still a significant programme of work to be delivered to establish an effective single operating model but it is expected that this will be accelerated once full recruitment to the teams has taken place.
27. The full service development objectives and status update for 2022/23 are available in appendix A.
28. Some of the work that has been completed over the last quarter towards developing a single operating model includes:

PHASE 1- Transformation and Partnerships, Communications and Visitor Economy, Governance Services

- All of the Shared HR Policy families have now been implemented and the Shared HR Hub has been launched. These provide a consistent and standardised approach to HR and management across the organisations which takes into account best practice whilst enabling greater employee self-service. This is expected to allow for capacity in the HR team to be focused on case management and as a business advisory function.
- A Transformation Programme has been agreed for each council to identify the approach, aims and projects for each organisation. This includes efficiency savings and income generation to help meet each of the councils' budget gaps and organisational change and development.
- A draft of the Internal Communications Strategy has been developed to set out a shared approach to internal communications which uses best practice to improve staff engagement and understanding of organisational priorities. The next steps for this will be to finalise the strategy with a timeline of activity and deliver and embed the strategy.
- Draft proposals have been developed for the restructure of the Procurement Team as part of the Legal services review to reflect changes in capacity for the team. This will look to develop a resilient and flexible shared team, with the right capacity in place to meet the priorities of both councils.

PHASE 2- Customer Services and ICT

- The management of line of business applications and associated budgets has now been consolidated within ICT for all areas aside from Finance which is currently being progressed. This will provide greater oversight of line of business software and enable greater integration and interoperability between systems.
- The contract for a digital post room has been developed and is now being finalised. This will allow Revenues and Benefits mail to be scanned and indexed through an outsourced service, freeing-up capacity within the customer services teams.
- A solution has been identified for the shared ICT helpdesk/ call centre and will now be progressed alongside programme management office support.
- A review of digitisation of paper-based resources is being conducted across the organisations with Estates documentation now digitised at South Ribble and Legal completed at Chorley.
- Shared policies have been developed for some of the Customer Services processes including, the Council Tax Support Scheme and Fair Collection Charter, with training having been delivered across these areas.

## **Benefits**

29. Benefits realisation for all shared services will be included in the annual report to Shared Services Joint Committee which is scheduled to be presented following the shared Customer Services being in place for 12 months from March 2023. This will assess benefits 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:

### Phase 1

- Transformation Programmes and monitoring in place to ensure a consistent approach and oversight of transformation across both councils, helping to drive forward organisational improvement and monitor efficiency savings and income generation.
- An enhanced events programme has started to be delivered for South Ribble with preparations in place for Leyland Festival and Music in the Park in June alongside a Taste of Leyland in September.
- A review of corporate admin in line with the shared corporate support service has identified areas where services can be digitised, centralised or aligned for efficiency and to increase resilience for services.

### Phase 2

- The ICT service now has increased flexibility to support both organisations and has been able to progress against key priorities despite current vacancies. Several significant improvements have been delivered or are being progressed in relation to ICT infrastructure including improved security and resilience, supporting consistent technologies across the shared services environment, improved agile working



experience including standardised endpoint devices and improved management of data.

- Overall increase in FTE available for direct customer contact assuming full staffing from 14.65 at South Ribble and 8.9 at Chorley to 27.22 across both councils.
- 14 new apprentice roles and 1 graduate Software Developer role have been created across both ICT and Customer Services and are currently being recruited to. These roles will help to offer new opportunities for local people interested in careers in ICT or Customer Services and will help to develop succession planning and improved service resilience for the teams.
- Specialised roles and dedicated resource developed for Customer Services Transformation to support change and service development. These posts are currently being recruited to.

## **Performance**

30. Local service performance indicators are reported twice a year to each council's relevant performance scrutiny panels. The next meetings for the panels are outlined below:

- Overview and Scrutiny Performance Panel (Chorley), 22/09/2022 and 09/03/2023
- Budget and Performance Panel (South Ribble), 12/09/2022 and 13/03/2023

31. The local indicator review 2022/23 was completed in early quarter one. As a result of the development of shared services and implementation of the reviews for Customer Services and Digital, the opportunity was taken to align and consolidate the range of indicators across the services to reflect the new arrangements. Shared indicators are reported at each authority, pertaining to the individual council's performance.

32. As the indicators have only recently been aligned and refreshed, full performance information is not due to be reported yet and so will be reported in the next monitoring report.

## **Risk Register**

33. 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.

34. Since the last report in December 2021, additional actions have been identified to reflect the move to the future development of shared services to ensure that lessons learned in previous phases of shared services are used to minimise risk whilst change continues across the organisations. These include:

- Lessons learned will be incorporated into the delivery of future phases of shared services to reduce staff uncertainty and impact on wellbeing, this includes taking a more measured approach to shared services so that resources can be focused on supporting functions which are going through a shared services review.
- A delivery programme for the future development of shared services will be developed with clear timescales and milestones, supported by the transformation and change team to minimise impact across the councils.
- A risk assessment is to be conducted for each new service review in relation to customer or operational impact prior to recommendations being presented to Shared Services Joint Committee.
- Events are continuing to be planned and delivered to support induction and development for newly shared staff and 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 in line with the new People Strategy.

35. 4 risks are identified as **medium-risk** in relation to impact and likelihood, and 2 risks are identified as **low-risk**. The two highest risks are 'organisational disruption and impact on service performance' and 'staff uncertainty and impact on employee wellbeing.' These risks both have a matrix risk score of 9 which means that without any action they are likely to occur and would have a serious impact if they did. Many of the lower scored risks are mitigated by the governance arrangements for shared services including the shared services agreement.

36. 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	<p>Performance management mechanisms have been strengthened to ensure close corporate oversight throughout any shared services changes.</p> <p>A reviewed monitoring approach for Shared Services has been agreed by SSJC to allow for more frequent reporting on phase 2 of shared services.</p>	3	3	9	<p>Additional capacity is currently being recruited to for the Customer Services and ICT teams.</p> <p>A delivery programme for the future development of shared services will be developed with clear timescales and milestones, supported by the transformation team to minimise impact across the councils</p> <p>A risk assessment is to be conducted for each new service review in relation to customer/ operational impact</p>	Transformation	<p>Completed</p> <p>July 2022</p>
R2	Staff uncertainty and impact on workforce wellbeing	<p>Staff will be fully engaged and consulted throughout the changes, both informally and formally in line with the refreshed Change Policy.</p> <p>Regular pulse surveys are in place to monitor staff wellbeing and any issues.</p>	3	3	9	<p>Induction and development plan being delivered for ICT and Customer Services in line with the implementation of the shared service models.</p> <p>Standardised induction and development offer to be developed for further phases of shared services.</p> <p>Lessons learned will be incorporated into the delivery of future phases of shared services to reduce staff uncertainty and impact on wellbeing, this includes taking a more measured approach to shared services so that resources can be focused on supporting functions which are going through a shared services review.</p>	Project Team/ Transformation/ HR & OD	<p>Ongoing- December 2022</p> <p>September 2022</p> <p>Ongoing</p>

						Events are continuing to be planned and delivered 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 in line with the new People Strategy		
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		
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### **Comments of the Statutory Finance Officer**

37. There are no financial implications of this report. Shared Services costs and savings now for a significant and growing part of both Councils MTFS. This is monitored in year and relevant costs are attributed to each Council.

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

38. There are no direct legal implications arising. The report is for information and noting.

### **Appendices**

Appendix A- Service Development Objectives and Benefits Tracker

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