Report of	Meeting	Date
Director Change and Delivery	Shared Services Joint Committee	Monday, 17 October 2022

Shared Services Monitoring Report

Is this report confidential?	No

Is this decision key?	No

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 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 shared services has been good. Most of the original service development actions have now been completed for the phase 1 services, which have now become further embedded as shared functions working across both councils, and focus is now on the delivery of the refreshed objectives for 2022/23. The Customer and ICT services have also made progress in the delivery of their shared operating models, with recruitment to vacant posts within the teams increasing capacity and supporting service delivery.

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 that year. 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. The phase 2 shared services were implemented in November 2021 for ICT and March 2022 for Customer Services.

9. Regular monitoring reports are to be presented to the Shared Services Joint Committee to provide an overview of action and performance in delivering the shared operating models across the newly shared services. An annual review will be conducted in Q1 2022/23 to provide a more in-depth overview of benefits realisation and best practice.

Savings and budgets

10. Overall there has been in excess of £1.6m savings realized with over £900k at CBC and over £700k at SRBC.

11. Most services operate on a 50/50 basis with exceptions reflecting the specific needs of either authority. These exceptions include:

    - IT Infrastructure Team which is split 40% CBC and 60% SRBC
    - Events Team which is split 60% CBC and 40% SRBC
    - Services that relate entirely to one Council including CBC Town Hall and Civic Services staff.

12. 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

13. Staff satisfaction within shared services has been measured through the Pulse Survey which is carried out every 6 months for all services across both councils to provide a regular check in and monitoring on staff satisfaction and wellbeing. This is repeated more frequently for shared services staff and was last captured in September 2022. 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.

14. The survey also provides an opportunity for staff to provide anonymous written feedback.

15. 106 members of staff completed the survey which represents around 45% of all shared services staff. The table below outlines the percentage agreement across all shared services with the survey questions, demonstrating significant improvements since the previous survey in June, with a 14% increase in overall happiness with jobs.

Question	September 2022	June 2022
I understand how my service contributes to delivering the priorities of the council/both councils.	96.2%	87.5%
I understand my role within my directorate/council/shared services.	92.5%	86.8%
I have the skills and knowledge needed for my role	88.7%	89.0%
Overall, I am happy with my job	71.7%	58.1%

16. In the previous survey, staff satisfaction for Customer Services and Revenues & Benefits was identified as lower than phase 1 and ICT services. Written feedback suggested that this was primarily in relation to the lack of capacity and high workloads within the service due to vacancies and new service demands such as the administration of the Government's Council Tax Rebate scheme. A comparison between the survey in June 2022 and the latest survey in September is outlined below indicating significant improvements across the Customer Services and Revenue and Benefits service, including a 39.4% increase in those who agree or strongly agree that they are happy with their job. We continue to hold regular focus groups with the team to ensure that satisfaction is further improved.

Question	September 2022	June 2022
I understand how my service contributes to delivering the priorities of the council/both councils.	95.1%	74%
I understand my role within my directorate/council/shared services.	87.8%	74%
I have the skills and knowledge needed for my role	85.4%	84%
Overall, I am happy with my job	63.4%	24%

17. Open feedback was submitted by over half of staff. Key themes included:

- **Improved capacity in teams** for phase 2 services with over 17 appointments in the last few months in Customer Services and Revenues and Benefits and nearly

a full team now in place for the ICT team,Staff indicated that this had helped with morale and presented a tangible improvement to the service. Next steps include resolving the remaining few vacancies in these areas, and ensuring new staff receive relevant training. Plans have now been developed and are being progressed to support the development of new and existing staff.

- **High workloads** across all service areas. Whilst capacity has been increased in relevant service areas, teams are still handling high workloads due to service demands and some backlogs of work. It is expected that this will ease as new starters, systems and processes become more embedded into the teams.
- **Improvements in ICT and Communications**- staff have identified that there have been improvements to ICT and organisational wide communication but that there are still some areas for further development. These include communications to introduce staff to new colleagues, recognition of work and the specific challenges of working in shared services, and further developing good working relationships across teams. A dedicated ICT plan has been identified to drive forward further improvements in infrastructure and technology, and a new People Strategy is currently being implemented with specific interventions targeted at team development and reward and recognition.

Service Level Development

18. 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.

19. 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 initial challenges in relation to capacity and service demand such as significant infrastructure improvements and processing the council tax rebate. Recent success in recruitment to these services has helped to progress the delivery of the plans.

20. The full service development objectives and status update for 2022/23 are available in appendix A.

21. 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

- A plan and timetable have been developed for the role out of the new Terms and Conditions to all staff across both councils. This will align the conditions across shared services, and non-shared teams, and will offer benefits including an improved offer for staff. Initial briefings have been carried out across both Councils with the Director for Change and Delivery to deliver key messages. Further service and individual level briefings form part of the roll out plan.
- Work has continued on the delivery of phase 2 of the HR transformation project including the roll out of HFX time management systems and the end-to-end recruitment

solution. This will build on the benefits secured by the implementation of the shared HR hub by streamlining and automating processes, ensuring that they work well for staff, candidates, and new recruits. A plan for the delivery of the project is currently being established and scoping work taking place to identify the councils' requirements for the new system modules.

- The events programme has continued to be delivered successfully through the newly established shared events team including Leyland Festival, Music in the Park and a taste of Leyland at South Ribble, and What's Your Story, Chorley 10k, Picnic in the Park and Chorley Flower Show at Chorley. Preparations are now underway for Autumn and Winter events such as the Christmas Lights Switch On.

- A review into the Corporate Administrative Processes has been completed and has enabled the Corporate Support Service to streamline their support offer, automating processes where possible to ensure an effective and efficient service.

- The Procurement Restructure has been completed, with recruitment currently taking place for the 3 new posts. The review has resulted in revenue budget savings of £11,699 in total and will see the service report into the Legal team in line with the close working arrangements between the two functions. The review of Legal services has also commenced and will look to develop a resilient and flexible shared team, with capacity aligned to the different functions and responsibilities of the service. This has already been progressed through the introduction of paralegal posts which aim to support transactional legal work which, prior to the appointments, would have been completed by higher graded solicitor level posts.

PHASE 2- Customer Services and ICT

- Work has continued on the recruitment to vacant posts within the service, which has seen recent success, with most new starters now in post. This has helped to deliver capacity for the services, driving forwards performance and the service delivery plans.

- Customer Services have reviewed the Fair Collection Charter and Council Tax Support Scheme and have identified prioritisation for the further policies to be reviewed. The reviews will align policies where possible across the councils, simplifying the application of policies for staff and also providing an opportunity to identify improvements or examples of best practice.

- A service transformation programme has been identified including process improvements (Garden Waste Review, and Revenues and Benefits processes) and changes to technology (such as hybrid mail and new telephony.) The process reviews have now commenced, specifications for the hybrid mail room have been developed, and the new telephony solution is being prepared for go live. These will all help to align the systems and processes across the councils, whilst also ensuring that we are delivering efficiencies through streamlined and automated processes.

- A Training Academy has been developed for customer services staff, identifying base training for all staff, to be supported by mentoring and networking opportunities, and this will be complemented by specialist training for specific service areas. This is due to be delivered from October 2022, with specialist training identified from November in line with the Councils' Performance Review Process.

- The ICT service has made progress on the delivery of the ICT plan which aims to align infrastructure and technology across the organisations, ensuring a stable and effective base to support officers and members in their work. End-point devices including phones, tablets and laptops have been identified and roll out of kit has now commenced. Preparations have also been made for the implementation of the new

remote Council desktop and the new file share solution (which will allow cloud access to files from any location for either council.)

- Business systems from across different service areas have now been identified for review, with a rolling programme developed to map out when systems will be reviewed in line with service need and readiness for implementation.

Performance

22. In addition to corporate level performance measures aligned to the Corporate Strategy, each service has local level performance measures to track productivity and impact. Local service performance indicators are reported twice a year to each council's relevant performance scrutiny panels. The meetings of the panels for 2022/23 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

23. All services reviewed their local performance indicators in early quarter one 2022/23. 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.

24. The latest available performance information for outcome based performance indicators is set out at appendix B. There is currently no performance information available for ICT whilst their new systems, including help desk solution, are being implemented. Once the new systems are in place, the indicators will be brought online and included in future reporting.

25. There are currently 3 out of the 22 reported indicators which are off-target for either of the councils. An explanation and action plan for these indicators has been included within the appendix.

26. For Customer Services and Revenues and Benefits, additional performance information has been provided in relation to call wait times, abandoned call rates and calls answered within 90 seconds, which demonstrates steady improvements in performance from June- September. For example, at both councils, average call wait times have reduced by between 5-6 minutes within this time.

Risk Register

27. 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.

28. 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, across the shared services environment, the risks would be likely to occur and would have a

serious impact if no mitigating actions were taken. Many of the lower scored risks are mitigated by the established governance arrangements for shared services including the shared services agreement.

29. Risks remain relatively stable across shared services, with work progressing to support the delivery of actions including recruiting to vacant posts within the phase 2 services and developing the proposals and project plan for phase 3 of shared services. Further actions include the delivery of the new People Strategy, which will help to support staff wellbeing and development across both councils and shared services, including through the introduction of two 'development days' per year to secure time for personal and team development, and a review of reward and recognition. These are particularly important for shared services, where new teams have come together and will benefit from dedicated time to support team building and development, alongside recognition for the specific challenges of working in the shared services environment.

30. 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. A reviewed monitoring approach for Shared Services has been agreed by SSJC to allow for more frequent reporting on phase 2 of shared services.	3	3	9	Additional capacity is currently being recruited to for the Customer Services and ICT teams. 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 A risk assessment is to be conducted for each new service review in relation to customer/ operational impact	Transformation	Completed Completed Ongoing-November 22 for Property and Assets
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. Regular pulse surveys are in place to monitor staff wellbeing and any issues. Engagement mechanisms including manager briefings to identify and address issues.	3	3	9	Induction and development plan being delivered for ICT and Customer Services in line with the implementation of the shared service models. 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. The People Strategy will introduce a series of initiatives to support wellbeing and morale including Development Days	Project Team/ Transformation/ HR & OD	Ongoing-December 2022 Ongoing December 2023

						which can be used for personal or team development, and a review of reward and recognition.		
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	3	1	3			

| | | recognises committed budgets for each council. | | | | | | | |

Climate change and air quality

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

Equality and diversity

32. This report has no equality or diversity implications.

Risk

33. Risk is outlined within the report.

Comments of the Statutory Finance Officer

34. There are no direct financial implications arising from this report. Shared Services costs and savings now account for a significant and growing part of both Councils budgets. This is monitored across the year and relevant costs are attributed to each Council.

Comments of the Monitoring Officer

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

Appendices

Appendix A- Service Development Objectives
Appendix B- Performance Indicators

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