

Report of	Meeting	Date
Director (Change and Delivery)	Shared Services Joint Committee	Tuesday, 21 February 2023

Shared Services Future Options

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

- To set out potential options for the future development of shared services.

Recommendations to Shared Services Joint Committee

- To review and discuss the options as set out in the report and provide feedback to inform further development and proposals.

Reasons for recommendations

- To provide a starting point for any further development of proposals for future sharing.

Other options considered and rejected

- Several potential options are set out within the report for consideration and discussion by members.

Background

- Building on the long-standing shared services arrangements for Finance and Risk and Audit services, Chorley and South Ribble Councils have engaged in a full programme of shared services delivery from 2019-2023 as outlined below:

- Phase 1 (2019-2020):** Shared Policy and Governance directorate
- Phase 2 (2020-2021):** Shared Senior Management Team, ICT and Customer Services
- Future development (2022):** principles for shared services refreshed alongside shared director roles for Change and Delivery and Future Investments. A shared pest control service
- Review of management capacity (2022):** creating several shared Head of Service roles
- Phase 3 (2022-2023):** Shared Property and Assets Service

6. The shared services programme has led to a shared workforce of around 50% for the two councils.
7. Following the implementation of phase 3 of shared services in February 2023, options for the future of sharing between the councils should be considered.

Options for sharing

8. Several key options for shared services have been considered within this report, considering the potential benefits and issues for each option:
 - A. **Opportunistic** - to continue to deliver shared services in line with the principles agreed at the last review of the future development of shared services in 2022
 - B. **Full service review** - to identify a full service to be reviewed as a 'phase 4' of shared services
 - C. **External opportunities** - to consider other alternatives to sharing outside of Chorley and South Ribble councils, including different partnership arrangements with other councils and organisations
 - D. **To pause further shared services**- to pause any further delivery of new shared services for a set time period i.e. 6 months.
9. Shared services has generated savings on excess of £1.6m across the two councils, provided the ability to share resources quickly to support business continuity and adapt to changing service demands, and provided additional technical expertise, skills and services across the organisations. The options set out should therefore also be considered within the context of the wider benefits and issues of sharing services across the councils, including the potential to build resilience, share expertise and generate savings, whilst maintaining performance and supporting staff through organisational change.

A. Opportunistic approach

10. In 2022, both councils agreed to consider the future expansion of shared services by identifying areas where there are the greatest opportunities and benefits for sharing. This led to the shared services review for Property and Assets, based on recruitment challenges within the service and the opportunity to create a more resilient and sustainable shared team.
11. The council is committed to continuous improvement and supporting staff development. As part of this work, Heads of Service will be working with their teams to identify any current or potential future opportunities to strengthen skills or resilience through sharing of functions.
12. Any opportunistic areas for sharing identified by the Heads of Service in this way would be considered in line with the principles for the future development of shared services agreed by both councils and would provide a focus on areas where there is a need for change based on:
 - Lack of capacity due to current structure, changing service demands or recruitment challenges

- Temporary or informal sharing arrangements which could be formalised to provide greater sustainability moving forwards
 - New priorities that have been identified in the service area which mean that a sharing arrangement would be beneficial for the councils
 - Potential for savings or efficiencies to be delivered
 - Area for common need/ potential for sharing to support one council to deliver a new function whilst maintaining or improving performance for the other
13. Potential areas for sharing could include functions with a shared Head of Service, for example Operational Assets (shared management of key assets and options for a joint asset management approach) and Environmental Health (sharing of skills, expertise and resilience.) Other opportunities for sharing could include, for example, Spatial Planning (linked to the Local Plan management and development) and Building Control (to build skills and our 'grow our own' approach.)
 14. This option would provide the flexibility to progress opportunities for sharing where there could be the greatest benefit and deliver change without a full shared services review process. A coordinated approach to delivering shared functions would help to ensure that opportunities and sharing arrangements work well together across the organisation. However, taking a more piecemeal process could make it more difficult to achieve large scale transformation across the organisation and could lead to some uncertainty on what the future of shared services looks like.
 15. If an opportunistic approach were adopted, proposals would be presented to the shared services joint committee and then relevant individual council decision maker for consideration and approval prior to any implementation.

B. Full service review

16. A full service review could be carried out as phase 4 of shared services, identifying a particular service to review and implementing a new shared structure and operating model. There are several different services that could be considered for phase 4 including planning policy, enforcement and facilities management. A full assessment would be required to set out detailed proposals and benefits.
17. This option would further extend shared services and build on the shared line management arrangements already in place, however it would need to be balanced against organisational resources and stability following a period of extensive change. Focusing on specific areas for sharing of whole services could also make it more difficult to progress sharing of other functions where opportunities are identified.

C. External opportunities

18. There are several opportunities for sharing with external partners which could be considered further, either through a formal structure or sharing arrangement, or through different forms of partnership working to deliver joint services across the boroughs.
19. Some options could include:

- **Sharing with other local authorities:** to explore a shared services arrangement with other nearby local authorities. Many shared services arrangements across the country form a partnership of three or more councils, although this is normally in the delivery of certain 'back-office' services, such as ICT, rather than management roles and full shared services structures.
 - **Vertical sharing:** most shared services partnerships are 'horizontal', involving councils at the same level of local government. There are some cases of sharing arrangements that are 'vertical.' One example of this is at Gloucester City Council which works closely with Gloucestershire County Council and shares several back-office functions.
 - **Working with other public sector organisations:** some councils have developed shared capacity with local NHS bodies to develop a joint approach to public health. For example, Suffolk Coastal and Waveney developed a key senior post with their local clinical commissioning group to reduce duplication and more closely align strategies and delivery to a shared vision for health. In more complex arrangements involving whole service or directorates, there is the risk of any changes to the operating environment of partners e.g. changes to national health strategy, having a large impact on the council and any other partners involved.
 - **Different sharing arrangements:** there are several options for the management of any sharing or joint working arrangements including
 - Mergers/ separate bodies- merging a service within a host authority or as a separate external body
 - Contractual- where one organisation provides a service for the other organisation
 - Collaborative or joint working- where two or more authorities collaborate on specific projects, for example tendering exercises
 - Pooling of resources- where organisations share facilities and assets for example, IT, training or office space
20. Chorley and South Ribble both have existing partnership arrangements in place to deliver services, such as the payroll arrangements with Blackpool Council. Particular areas of focus for any further investigation could be based around the key priorities for the councils or large scale issues in areas such as health integration and housing delivery. This option would build on established partnership relationship by formally sharing resources to address strategic issues, however it would rely on cooperation, buy-in and policy alignment from our partners.
21. Partners across Chorley and South Ribble have already identified and aligned key priorities within the shared Chorley and South Ribble Partnership and formal sharing of resources could provide the opportunity to have a 'greater reach' and deliver beyond the council's current remit to have a larger impact on outcomes for local communities.
22. There are several different approaches which could be taken to working with external partners, some of which would require significant time and resources to further develop and any proposals would be dependent on the buy-in and sustained support

from partners, who could be operating within different circumstances, financial constraints or governance frameworks to Chorley and South Ribble.

D. Pause further shared services

23. The final option is to pause the further expansion of shared services for a set period i.e. 6 or 12 months, to then be revisited at this later time. This would provide additional time for the councils to adjust and reflect on the new sharing arrangements without further change but could lead to opportunities to address current or growing challenges being missed. A pause could also lead to uncertainty around the future direction of sharing across the two councils, although this could be partially mitigated by identifying a set time period for review.

Conclusion

24. The options outlined above are not an extensive or exhaustive list but intend to provide a starting point for discussion and further development on the way forward for shared services. Options could also be combined, for example, by progressing opportunistic areas for sharing whilst exploring external sharing with other organisations.
25. Members are asked to provide their thoughts and comments in respect of the suggestions and options outlined.

Climate change and air quality

26. The work noted in this report has no impact on the Councils' Carbon emissions and the wider Climate Emergency and sustainability targets of the Councils.

Equality and diversity

27. Any proposals for sharing, if brought forward, would be considered alongside an equality impact assessment.

Risk

28. Several of the risks and issues associated with the different options have been considered within the narrative of the report. Members should consider risk and issues as part of their discussion and consideration of options.

Comments of the Statutory Finance Officer

29. There are no direct financial implications at this stage. For any further changes to Shared Services, the financial implications would need to be considered on the individual merit of each proposal. Previous reviews continue to provide considerable savings to both Councils.

Comments of the Monitoring Officer

30. The report is for consideration. There are no direct legal implications at this stage. Depending on what the agreed way forward is there may be a need to update the agreement between the two councils.

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