

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

Shared Services Monitoring Report- February 2023

Is this report confidential?	No
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Is this decision key?	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 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

Background

6. 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.
7. The phase 2 shared services were implemented in November 2021 for ICT and March 2022 for Customer Services.
8. 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 2023/24 to provide a more in-depth overview of benefits realisation and best practice.
9. Future reporting will also include the recently implemented phase 3 Property and Assets service which was implemented on the 1 February this year.

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
 - Property services team which is split 60% CBC and 40% SRBC
 - Services that relate entirely to one Council including Chorley Council 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 February 2023. 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. The Pulse Surveys help to provide a general indication of satisfaction over a period of time and help to identify and address any key issues which need to be targeted and resolved. Staff satisfaction and engagement is also informally measured throughout the year through regular staff forums and employee engagement groups.
16. 93 members of staff completed the survey which represents just under half of all shared services staff. The table below outlines the percentage agreement across all survey questions, showing that whilst satisfaction has dropped slightly since the last survey in September 2022, it still remains higher than in June last year. This could be due to a slight drop in the number of people completing the survey.

Question	February 2023	September 2022	June 2022
I understand how my service contributes to delivering the priorities of the council/both councils.	94.62%	96.2%	87.5%
I understand my role within my directorate/council/shared services.	88.17%	92.5%	86.8%
I have the skills and knowledge needed for my role	89.25%	88.7%	89.0%
Overall, I am happy with my job	64.5%	71.7%	58.1%

17. In the June 2022 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. A comparison between the survey in June 2022 and the survey in September indicated a significant improvement across the service, including a 39.4% increase in those who agree or strongly agree that they are happy with their job. This level of satisfaction has remained relatively high, at 60.53% in February 2023.

Question	February 2023	September 2022	June 2022
I understand how my service contributes to delivering the priorities of the council/both councils.	94.74%	95.1%	74%
I understand my role within my directorate/council/shared services.	81.57%	87.8%	74%
I have the skills and knowledge needed for my role	84.21%	85.4%	84%
Overall, I am happy with my job	60.53%	63.4%	24%

18. Whilst it is difficult to compare to other surveys with different questions, the findings from the Pulse Survey are roughly in line with other public sector organisations, for example the Civil Service People Survey in 2021 found a mean 'employee engagement index' of 62.65 out of 100 and the NHS Staff Survey found an overall morale score of 5.8 out of 10.
19. Open feedback has included key themes such as:
 - **Staff enjoy working with their colleagues**, taking part in organised staff social activities, and the 'team spirit' across services.
 - **Improvements to ICT**, including new telephony and equipment roll out, have helped staff to work effectively in their roles. There are still some issues with particular pieces of software and line of business systems with ICT progressing a plan to review these.
 - **Improved capacity in teams**, especially IT and Customer Services. 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 service areas. Whilst capacity has been increased in relevant service areas, teams are still handling high workloads due to high service demands and this, in turn, can make it difficult for teams to work collaboratively and support other service areas effectively.
 - **Some areas of communication could be improved** including ongoing change management i.e. keeping officers up to date on new processes that are being implemented. A new internal communication action plan is currently being finalised ready for implementation which will support senior managers and teams in communicating effectively across the organisation.
20. Findings of the survey are shared with staff and fed back to Directors and Heads of Service to identify actions to target issues identified and to further embed and grow high staff satisfaction and engagement.

Service Level Development

21. 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.
22. 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 are now progressing well against their objectives despite initial challenges relating to capacity and temporary service demands, such as the national Council Tax Rebate scheme.
23. The full service development objectives and status update for 2022/23 are available in appendix A.
24. 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 programme is now in place for the roll out of the new Terms and Conditions in 2023/24 to all staff across both councils to be led by the senior managers for each service. This will align the conditions across shared services, and non-shared teams, and will offer benefits including an improved offer for staff.
- Work has continued on the delivery of phase 2 of the HR transformation project including the roll out of HFX time management systems and testing for the end-to-end recruitment module. 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.
- The events programme for 2022/23 has now been successfully completed, with work starting on preparations for events in 2023/24.
- A tourism strategy has been drafted for South Ribble to develop the approach for developing the visitor economy and tourism offer within the borough. The strategy will now progress for members to review.
- New Health and Safety policies have now been developed and rolled out to staff including manual handling, display screen equipment and lone-working policies.
- The review of procurement and legal services has now been completed, with remaining vacancies in the team currently being back-filled.
- The structure for the Corporate Support team has been reviewed in light of vacancies within the team and to realign capacity to the new Chief Executive, Senior Management team and the Executive Leaders. Recruitment has now been successfully completed.

PHASE 2- Customer Services and ICT

- Work has continued on the recruitment to vacant posts within Customer Services and this 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. A new training officer is currently being recruited to for Customer Services to support the training and development of the team, including for new and apprentice staff. There remains several vacancies within the ICT team, with a plan now being developed to consider alternative options in light of difficulties with recruitment.
- Customer Services have reviewed the Customer Access Policy and Discretionary Housing Payments Policy which are now being rolled out to staff. Both policies have been reviewed to ensure that they are clear and easy to understand for all customers, with the Discretionary Housing Payments Policy making it easier for residents who are most in need to access support.
- Process improvements have continued for the customer services team, including a reviewed process and proactive direct debit drive for garden waste renewal and work taking place to improve and automate processes on the revenues and benefits system.
- 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 now been rolled out to most staff and is expected to be completed by the end of February 2023.

- Business systems from across different service areas have now been identified for review, with a rolling programme now being delivered in line with service need and readiness for implementation.

Performance

25. 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
26. 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.
27. 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.
28. For Q3 2022/23 performance has been high across the services and out of 31 indicators across both councils, there are only 4 indicators off-target and all of these fall within the 5% threshold. The majority of indicators are also performing the same as or better than Q3 2021/22.
29. 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-January.

Risk Register

30. 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.
31. 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.

32. Risks remain relatively stable across shared services, with work progressing to support the delivery of actions including the delivery of the new People Strategy which will help to support staff wellbeing and development across both councils and shared services staff, continued recruitment to new/ vacant posts to support capacity within the ICT and Customer Services, and a report on options for the future development of shared services to be presented to Shared Services Joint Committee to agree an aligned approach across both councils moving forwards.
33. 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, including recruitment to vacant posts and a new training officer for Customer Services to support training and development.</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> <p>Review of management capacity to provide additional senior management resource at Head of Service Level to support shared Director team.</p>	Transformation	<p>Ongoing – April 2023</p> <p>Completed</p> <p>Completed</p> <p>Completed</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>Training and development plan being delivered for Customer Services in line with the implementation of the shared service model.</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</p>	Project Team/ Transformation/ HR & OD	<p>Ongoing- December 2023</p> <p>Ongoing</p>

						<p>approach to shared services so that resources can be focused on supporting functions which are going through a shared services review.</p> <p>The People Strategy will introduce a series of initiatives to support wellbeing and morale including Development Days which can be used for personal or team development, and a review of reward and recognition.</p>		December 2023
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	Options on future of shared services to be considered at Shared Services Joint Committee in February 2023		February 2023
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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Equality and diversity

34. This report has no equality or diversity implications.

Risk

35. Risk is outlined within the report.

Comments of the Statutory Finance Officer

36. There are no direct financial implications arising from this report. Shared Services costs and savings represent a key element within the MTFS of each Council. This is monitored in year and relevant costs are attributed to each Council.

Comments of the Monitoring Officer

37. 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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