

NORTH LINCOLNSHIRE COUNCIL/NORTH EAST LINCOLNSHIRE COUNCIL

**JOINT COMMITTEE FOR SHARED SERVICES
BETWEEN NORTH LINCOLNSHIRE AND NORTH
EAST LINCOLNSHIRE COUNCILS**

SHARED SERVICES; PROGRESS REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To note progress being made on the shared services programme between North Lincolnshire Council and North East Lincolnshire Council.
- 1.2 The key points are:
- At the previous meeting, the Committee approved a Forward Plan of Actions; six of the reports due to come to this meeting are available on this agenda
 - Good progress is being made by the five workstreams against the shared services programme plan to the middle of November 2015.
 - Projected savings for the shared services programme remain on target.
 - Services in scope are at various stages of consultation with staff in scope and trade unions.

2. BACKGROUND INFORMATION

- 2.1 A programme plan of actions has been developed to implement shared services between North Lincolnshire Council and North East Lincolnshire Council for information technology, accountancy, internal audit, human resources and legal services. .
- 2.2 Each of the above workstreams have produced business plans that set out in detail how they will deliver the shared service in their service area.
- 2.3 Governance of the project has been via a fortnightly programme board (made up of senior officers from each council) and monthly workstream sub boards composed of managers ('workstream leads') from each council for each of the five services referred to above. Oversight of the

development has been via the relevant cabinet member at each council.

2.4 The joint committee of the two councils met for the first time on 28 October 2015. The joint committee will oversee the implementation of the shared services programme to April 2016 and subsequently meet on a quarterly basis to guide strategy, ensure achievement and provide direction for the shared services.

2.5 Progress against the overall programme plan has been closely monitored by the programme manager and the programme board throughout, using standard programme management techniques. Six reports planned to be considered by this Committee according to the Forward Plan of Actions are available on this agenda, and the project remains on track for implementation on 1 April 2016. Key points arising from each workstream or report on the agenda are set out in the following paragraphs.

2.6 **ICT workstream**

- The ICT workstream has proposed a revised structure which has been fully costed and meets the efficiency savings targets (staffing) of £100k for NELC and £244k for NLC and a reduction of approximately 12 FTE posts.
- Full consultation has taken place at both councils. The next phase including slotting/designation, submission by staff in scope of expressions of interest and interviews will start in December 2015.
- Other key tasks are ongoing in this workstream, relating mainly to the setting up of the joint IT infrastructure that will enable the operation of the Shared Services. In particular procurement of an Enterprise Agreement has taken place which provides the software to enable joint working across the two councils, and a new email system is being implemented at North Lincolnshire Council which brings it into line with the existing system at North East Lincolnshire.

2.7 **Internal Audit**

- A report outlining proposals for the Internal Audit shared service was considered and agreed by the joint committee in October 2015. The grade of the Head of Audit and Assurance has now been confirmed at the level suggested in that report.
- Internal Audit remain on course to meet the efficiency savings targets of £50k for NELC, £41k for NLC and a reduction of 2.5fte posts.

2.8 **Human Resources**

- The Human Resources workstream has proposed a structure that will deliver efficiency savings targets of £300k for NELC and £116k for NLC.

- Full consultation has taken place at both councils. The next phase including slotting/designation, submission by staff in scope of expressions of interest and interviews will start in December 2015.

2.9 **Legal Services**

- The Legal workstream have proposed a number of changes to operational practices that will deliver the efficiency target of £40k across the two councils, details of which can be found in a separate report to the joint committee.

2.10 Subject to approval by the joint committee, after the actions outlined above each workstream will consolidate their implementation plans ensuring ICT and accommodation requirements are in line to ensure 'go-live' on 1 April 2016. They will also produce a suite of service level targets for consideration by the joint committee.

2.11 The programme board and workstream leads will work with staff in scope to refine organisational culture and implement changes to procedures where necessary to ensure that 'business as usual' is maintained and there is a smooth transition into the shared service.

2.12 The remaining reports on this agenda give an update on the positive progress made by the Local Taxation and Benefits Service since its formation in July 2012, and make proposals for the naming and marketing of the Shared Service.

2.13 It has not been possible to bring forward a report on the Accountancy workstream to this agenda as planned. The consultation process has prompted further thought on aspects of the proposed structure and further consultation will take place to regarding this. It is intended that the report making proposals for the structure of the Accountancy Shared Service will come to the next meeting of this Committee in January.

3. **OPTIONS FOR CONSIDERATION**

3.1 To note the progress made against the shared service programme plan and savings projections, acknowledge the positive direction of travel and agree the remaining actions in the plan.

3.2 To note progress made against the shared service programme plan and savings projections and suggest an alternative course of action or timescale for the plan and the savings projections.

4. **ANALYSIS OF OPTIONS**

4.1 The shared services programme is being closely monitored via the programme plan utilising standard governance procedures. The programme manager is being supported to deliver the plan by

specialists from both councils including HR, ICT, Legal and Finance staff as well as other resources. Budgets to deliver the programme and costs and savings projected from the shared services implementation date (1 April 2016) are being closely monitored and controlled. To agree to continue with the remaining actions in the plan and to agree the savings projections will deliver the shared services programme on time and on budget.

- 4.2 To not agree to continue with the remaining actions in the plan and/or to change projected savings outcomes at this stage will put severe pressure on the likelihood of delivering the shared services programme on time and on budget.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 The shared back office services are planned to begin on 1 April 2016. The TCA bid envisages joint savings of approximately £1.2m per annum with cumulative savings of £12.6m over a 10 year period, and the project is still on track to meet this target. The TCA award of £1.9m will be utilised to achieve those savings, and at present it is planned to contain costs within the grant awarded.

5.2 Changes to team structures and staffing numbers were planned in the business cases to deliver the savings and other efficiencies outlined in the TCA bid.

5.3 Staff at both councils will continue to populate existing buildings to similar levels as now, with an increase in agile working.

5.4 To facilitate joint working across the two councils, investment of £0.725m from the TCA grant has been assigned to standardise, join up and streamline existing IT infrastructures, as previously noted. Additionally the Human Resources and Accountancy workstreams include capital spend on back office systems to support the integration between the two councils. The remainder of the TCA award has been allocated for staff exit and programme costs

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT

6.1 An Integrated Impact Assessment for the proposed shared services has been carried out and no adverse issues were highlighted.

6.2 Potential impacts will continue to be explored and monitored via the shared services programme risk register.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED

7.1 Discussions have taken place with management, staff and trade unions at both councils.

7.2 Consultation at both councils is ongoing following each council's procedures.

7.3 No conflicts of interest have been declared.

8. **RECOMMENDATIONS**

8.1 It is recommended that the joint committee note the progress made against the shared service programme plan and savings projections, and that the project remains on target for implementation on 1 April 2016.

REPORT FROM THE SHARED SERVICES BOARD

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Background papers used in the preparation of this report – Nil