

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:
- Good progress has been made by the five workstreams who will form shared services on 1 April 2016 (information and communication technology, internal audit, human resources, finance and legal services) against the shared services programme plan to March 2016.
 - Structures in the five workstreams have been agreed and staff have been recruited into all the senior positions and the majority of other posts.. A small number of other positions have still to be recruited but all posts will be filled well in advance of 1 April 2016.
 - Projected savings for the shared services programme remain on target.
 - Formal consultation with staff and trade unions for the Local Taxation and Benefit/Customer Services review has been completed. A report is available on this agenda.
 - Formal consultation with staff and trade unions for the PANNEL review started in mid-February. A report will be presented to the Joint Committee in April.

2. BACKGROUND INFORMATION

- 2.1 A programme plan of actions has been developed to implement shared services for information and communication technology, internal audit, human resources, finance and legal services. Local taxation and benefits (who currently operate shared services between North Lincolnshire Council and North East Lincolnshire Council)/customer services have also proposed developments to their 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 programme 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 in 2.1 above. Oversight of the development has been via the relevant cabinet member at each council.
- 2.4 Progress against the overall programme plan has been closely monitored by the programme manager and the programme board throughout, using standard programme management techniques. The programme remains on track for implementation on 1 April 2016.
- 2.5 Procurement Alliance North & North East Lincolnshire (PANNEL) presented a report to the Joint Committee on 15 January 2016 outlining an enhanced vision for the existing procurement shared service which meets the wider objectives of the shared services programme between North Lincolnshire Council and North East Lincolnshire Council. Further details of proposed developments will be presented to the Joint Committee in April 2016.
- 2.6 Updates from the workstreams outlined in 2.1 are set out in the following paragraphs.
- 2.7 **ICT**
- The new ICT shared service management team have had a number of planning meetings to finalise accommodation requirements, service level targets, ICT governance and other aspects of the implementation plan.
 - The generic ICT implementation plan incorporating key technical tasks which will enhance and promote shared services is ongoing and continues to be closely monitored by the programme manager and the programme board.
 - The service remains on track to meet savings as previously reported.
- 2.8 **Internal Audit, Risk and Insurance**
- All recruitment into the new shared service structure has been completed.
 - NELC Audit staff have moved into the Municipal offices at Grimsby. NLC Audit staff have moved from the Civic Offices in Scunthorpe to Hewson House, Brigg.
 - The service remains on track to meet savings as previously reported.
- 2.9 **Human Resources**
- HR at NELC are now based in the Municipal Offices, Grimsby.

- Managers and senior staff are working across both councils to promote team-building and best practise. Joint team meetings have also taken place and more are planned.
- The service remains on track to meet savings as previously reported.

2.10 **Finance (Accountancy)**

- Formal consultation with staff and trade unions has taken place at both councils. The subsequent recruitment exercise was completed in February 2016.
- Cross-council project teams have been working together in accountancy to identify best practise.
- The service remains on track to meet savings as previously reported.

2.11 **Legal Services**

- The Legal workstream have proposed a number of changes to operational practices that will deliver the efficiency target of £60k across the two councils; £40k at NELC and £20k at NLC.
- The legal agreement for shared services is in the latter stages of development.

2.12 **Local Taxation and Benefits/Customer Services**

- Formal consultation with staff and trade unions has taken place at both councils.
- A report outlining proposed changes is available on this agenda.

2.13 A programme of generic shared services actions is also planned including inductions and a review of essential training.

3. **OPTIONS FOR CONSIDERATION**

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

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

4. **ANALYSIS OF OPTIONS**

4.1 The shared services programme continues to be closely monitored via the programme plan utilising standard governance procedures. Staff in scope are being supported through the process by managers and HR support staff. Inductions, training and other activities are underway or planned to ensure a smooth and efficient transition into shared services. To note the positive direction of travel and agree to continue

with the remaining actions in the plan 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 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 (Transformational Challenge Award) bid envisages joint savings of approximately £1.2m per annum with cumulative savings of £12.6m over a 10 year period, and the programme is still on track to meet this target. The TCA award of £1.9m will be utilised to achieve those savings 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 Noting the recent changes outlined above, 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 Finance 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 by the programme board and Internal Audit staff at both councils 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 Formal consultation at both councils has been completed for information and communication technology, internal audit, human resources,

finance, legal services and local taxation and benefits/customer services. Consultation for proposed changes to PANNEL 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