

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 the successful implementation and ongoing development of the shared services programme between North Lincolnshire Council and North East Lincolnshire Council.
- 1.2 The key points are:
- Shared services officially went live on 1 April 2016 for Information and Communication Technology, Internal Audit, Human Resources, Finance and Legal Services.
 - All structures and staff in the five workstreams have been in place since 1 April 2016 as agreed following previous consideration by the Joint Committee and formal consultation with staff and trade unions.
 - Projected savings for the shared services programme remain on target. Monitoring systems are in place to ensure control and scrutiny of budgets and savings for the shared services.
 - Management and governance arrangements for shared services have been agreed.
 - Reports for proposed changes to other shared services (Procurement and PrintHub Plus+) are on this agenda for consideration.
 - A report regarding proposed new staffing structures to support the future delivery of the Local Taxation & Benefits shared service in North and North East Lincolnshire from July 2016 has previously been considered by the Joint Committee.
 - A Commissioned Business Plan for 'Northern Lincolnshire Business Connect' is on this agenda for consideration.
 - Positive internal (Internal Audit) and external (KPMG) validation has been received regarding the implementation of shared services.
 - A progress update was submitted to the DCLG regarding the Transformational Challenge Award allocation, which DCLG have accepted.

2. BACKGROUND INFORMATION

- 2.1 A programme plan of actions to implement shared services between North Lincolnshire Council and North East Lincolnshire Council has been successfully delivered for Information and Communication Technology, Internal Audit, Human Resources, Finance and Legal Services.
- 2.2 The shared services outlined in 2.1 were officially launched on 1 April 2016. They will join existing shared services for Local Taxation & Benefits, Procurement and Print Hub Plus+ under the 'umbrella' name previously agreed by the Joint Committee; 'Northern Lincolnshire Business Connect'.
- 2.3 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, ensuring 'business as usual' whilst delivering transformational change.
- 2.4 Arrangements are in place to oversee 'business as usual' and transformational change via a 'Shared Services Management Team (SSMT) comprised of managers from each of the services in 'Northern Lincolnshire Business Connect' and chaired by the Strategic Commissioning Lead – Shared Services and Commercial (NELC). Governance of 'Northern Lincolnshire Business Connect' will be via the Joint Officer Board and the Joint Committee.
- 2.5 Updates from the services outlined in 2.1 and 2.2 are set out in the following paragraphs.
- 2.6 **ICT**
- Managers have reported that the two groups are working well together and morale is very good
 - There was rise in demand on the service desk on 1 April 2016 and for a short time after that, mainly due to staff familiarising themselves with new systems but things have now settled to previous levels
 - 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 ICT managers
 - The service remains on track to meet savings as previously reported.
- 2.7 **Internal Audit, Risk and Insurance**
- Implementation of shared services has been very positive and the team has integrated very well together.
 - Aligning of systems and processes is developing i.e. a single platform for audit software, standard audit report template.
 - The service is working towards a joint risk system.

- The service remains on track to meet savings as previously reported.

2.8 **Human Resources**

- Managers have reported that staff are working well together and are positive about the direction of the service.
- A number of working groups are in place to share good practice and to streamline and align processes and culture where possible.
- Managers and senior staff are working across both councils to promote team-building and best practise.
- The service remains on track to meet savings as previously reported.

2.10 **Finance (Accountancy)**

- Staff have settled well into new roles and responsibilities with 'business as usual' under control including ongoing mandatory requirements.
- Cross-council project teams have been formed to ensure systems work together.
- The service remains on track to meet savings as previously reported.

2.11 **Legal Services**

- Proposed changes to operational practices that will deliver the efficiency target of £60k across the two councils are ongoing and remain on track.
- The legal agreement for 'Northern Lincolnshire Business Connect' has now been signed.

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

- Formal consultation with staff and trade unions regarding the changes to the service has taken place at both councils.
- A report outlining proposed changes was previously considered by the Joint Committee in March 2016.
- The service remains on track to implement the new structures from 1 July 2016.

2.13 **Procurement**

- Proposed changes to the service are outlined in a report on this agenda.

2.14 **Print Hub Plus+**

- Proposed changes to the service are outlined in a report on this agenda

3. OPTIONS FOR CONSIDERATION

- 3.1 There are no options to consider. However, this is an opportunity to note the successful implementation of the shared service programme and acknowledge the positive direction of travel.

4. ANALYSIS OF OPTIONS

- 4.1 This report provides a summary picture of the implementation on 1 April 2016 of shared services and the creation of 'Northern Lincolnshire Business Connect'. It also provides assurance to the Joint Committee that the activities and plans for 'Northern Lincolnshire Business Connect' continue to be closely monitored by the Joint Officer Board and the SSMT.

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

- 5.1 'Northern Lincolnshire Business Connect' envisages joint savings of approximately £1.2m per annum with cumulative savings of £12.6m over a 10 year period, and it is still on track to meet this target.
- 5.2 Changes/proposed changes to team structures and staffing numbers were planned in the business cases to deliver the savings.
- 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 'Transformation Challenge Award' of £1.9m 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 to staff exit and programme costs

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT

- 6.1 An Integrated Impact Assessment for the 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 Joint Officer Board 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 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 notes the successful implementation of shared services on 1 April 2016 and the positive direction of travel of 'Northern Lincolnshire Business Connect'.

REPORT FROM SHARED SERVICES OFFICER BOARD

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Background papers used in the preparation of this report – Nil