



St Edmundsbury
BOROUGH COUNCIL

B585

Cabinet 27 April 2011

Recommendations from Shared Services Steering Group: 20 April 2011 (May11/05)

Cabinet Member: Cllr John Griffiths Chairman of Group: Cllr David Ray

1. Shared Services Phase Two (Report B575)

RECOMMENDED:- That

- (a) *business cases for Housing and Homelessness, and Environmental Health and Licensing are started with a view to presenting them to the Shared Services Steering Group in September 2011;***
- (b) *all remaining services are considered by the relevant Heads of Service in the next six weeks, to identify what order of savings are likely to be made by creating shared services. The results of this work to be presented to the Shared Services Steering Group in June 2011; and***
- (c) *the changes to the project structure and methodology outlined in Section 4.6 of Report B575 be approved, and costs of backfilling posts be shared between both authorities.***

It has already been agreed that the Interim Head of Planning for both authorities should complete a business case for a shared service by September 2011. It is now proposed to request business cases for Housing and Homelessness, and Environmental Health and Licensing on the same timetable.

In order to accommodate SEBC's needs to identify what savings will be delivered from shared services in 2012/2013, a short process is proposed to review all other service areas. By the middle of May 2011, Heads of Service across both Councils will work together to identify what savings can be made by joining the remaining individual services. This will be analysed by the finance leads and reported through to Project Board and Steering Group in June 2011.

On the basis of the information provided, the Shared Services Steering Group will be in a position to decide which of the remaining services are then considered for business cases. At this stage, it may also be necessary to consult upon and make political decisions on future service levels across both Councils.

It is also proposed to change the project structure to reflect the new programme and recognise that the infrastructure work delivered through the workstreams is now in place. The revised structure brings together a small group of specialist staff to support the entire programme in a consistent way and recommends that a fewer number of Shared Services Architects are used, who will be seconded from their existing roles for a temporary period. These staff may need to be backfilled.

It is further proposed that under this new project structure the process is streamlined. Firstly, by creating a shorter template for smaller services and, secondly, by incorporating the options appraisal process within the business plan. This latter proposal will mean that business cases can be brought forward sooner to the Steering Group for consideration.

2. Agreements (Paper B576)

Appendix A: Agreement For Officers Working Across Both Authorities.

Appendix B: West Suffolk Information Sharing Protocol

RECOMMENDED:- That

(1) *Agreement for Officers Working Across Both Authorities*

The Agreement for Officers Working Across Both Authorities, attached as Appendix A to Paper B576 and subject to Paragraph 2.1 of Specification of Services amended to end '..... of the particular service or services concerned.', be approved for immediate implementation;

(2) *West Suffolk Information Sharing Protocol*

The Agreement for the West Suffolk Information Sharing Protocol, attached as Appendix B to Paper B576 be approved for immediate implementation; and

(3) *The Legal Services Manager of Forest Heath District Council and the Head of Legal and Democratic Services of St Edmundsbury Borough Council be authorised to make minor changes to the documents detailed in (1) and (2) above so long as the substance and meaning is not thereby significantly altered.*

Both the above documents have been prepared jointly by the senior legal officers of both Forest Heath District Council (FHDC) and St Edmundsbury Borough Council (SEBC), with input from relevant colleagues.

3. Property Services: Business Case (Report B580 supported by Exempt Appendix A)

RECOMMENDED:-

That the Full Business Case for a shared Property Services Team be established between St Edmundsbury Borough Council and Forest Heath District Council, as detailed in Exempt Appendix A to Report B580.

The Business Case for moving towards a single Property Service team with a single structure details all the benefits, costs and risks and future transformational opportunities over what it currently delivered.

The shared services vision for this service stream is “a fully integrated, efficient and effective Property Services function across both authorities.” which will manifest itself through the following:-

- (a) consistent approach to service delivery;
- (b) agreed service standards;
- (c) common technical infrastructure;
- (d) elimination of duplication;
- (e) savings through procurement and joint contracts;
- (f) improved capacity and service resilience; and
- (g) ensuring capital funding and existing assets are used efficiently and effectively to meet each authorities objectives.

The recommended option is to: -

- (a) create a single Property Services Team serving both authorities;
- (b) create a new shared property data base; and
- (c) develop an Asset Management Strategy and Action Plan.

The expected on-going revenue savings arising from a shared Property Service team are expected to be £90k per annum equating to £360k over the 4 years of the Medium Term Financial Strategy.

The development of the Business Case has coincided with FHDC Local Saving Agenda, which in relation to Property Services is projected to remove £30,500 from the base budget in a full year together with £19,804 through the property element of the Health and Safety post.

The Business Case, as written, focuses on predicted outcomes during the transition stage and as such a full transformational agenda has not yet been explored. However future areas for development includes Facilities Management review, joint procurement, and these are projected to save FHDC a minimum of £21k per annum. Reviewing the property portfolio through Asset Management reviews will facilitate delivery of transformational change and significant additional financial savings especially if working with other partners on property matters can be delivered.

Non financial benefits centre on increased resilience, sharing of expertise, making better use of existing skills, a consistent approach to service delivery and adding value through joint working.

4. Payroll Service: Options and Business Case (Report B581 supported by Exempt Appendix A)

RECOMMENDED:- That

- (a) the Business Case for an in-house shared payroll system providing a complete range of payroll services using existing software, on one platform, as detailed in Exempt Appendix A to Report B581;***
- (b) current working practice around payroll be simplified, harmonised and consolidated over the coming 12 months, to enable the roll-out of self service across the partnership; and***
- (c) the complete Human Resources (HR) and payroll staffing structure to be fully reviewed under a Business Case for a shared HR Service when scheduled. In the interim, the Payroll Teams will need to work very closely together in a transitional structure.***

This report provides the Options and Business Case for a shared IT platform for the Human Resources (HR) Information System, iTrent, across both Councils, with an opportunity to streamline the currently separate payroll services into a shared service with reduced costs and increased resilience.

The high-level vision for the new service is: *'A cost effective service that meets customer needs, budget challenges and drives and enables organisational improvement'*.

This Vision will be realised through:-

- (a) a strong customer ethos;
- (d) continuous improvement at a reduced cost through the elimination of duplication and overlap in transaction processes;
- (f) a high level of expertise and knowledge;
- (g) seamless delivery across both Councils;
- (i) working collaboratively with other partners and stakeholders;
- (j) provision of an efficient cost effective, reliable and confidential HR information and payroll service;

It is anticipated that the new shared payroll service on one platform will be cost neutral in the first full year. This is because initial savings will be absorbed by the cost of the data conversion required. Thereafter, minimum annual savings are anticipated of £6,500. MidlandHR have thus far, offered two different savings deals. It is recommended that formal negotiations lead by Procurement Officers are commenced to see if the offers can be improved further.

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