

## SHARED SERVICES UPDATE

### Legal and Democratic Services Advisory Committee - 14 April 2016

Report of Chief Finance Officer

Status: For Information

Key Decision: No

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**This report supports the Key Aim of effective management of Council resources.**

**Portfolio Holder** Cllr. Firth

**Contact Officer** Adrian Rowbotham Ext. 7153

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**Recommendation to Legal and Democratic Services Advisory Committee:** That the report be noted.

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#### Introduction and Background

- 1 This is an annual report that was last presented to this committee on 8 October 2015. Prior to that it had been presented to the Finance and Resources Advisory Committee but following the changes made in May 2015, shared services is now within the terms of reference of this Advisory Committee.
- 2 As financial pressures grow for all local authorities, shared services are often a method to be investigated to help deliver efficiency savings. The external auditors, Grant Thornton, view that this council delivers good value for money, therefore should be an attractive partner for other local authorities looking to take this route.
- 3 Experience has shown that it is beneficial to have back office services operating as a shared service first as there are then fewer barriers to front line services being shared with the same partner. This is because back office differences, e.g. not having the same IT systems, can significantly increase implementation costs and time which can make any change less viable.
- 4 Economies of scale are also an important factor where the costs of some services can have stepped increases, such as having to purchase an additional piece of equipment when work volumes increase above a certain level. The size of some teams can also be a factor in deciding whether it is practical or beneficial to share.
- 5 The following principles are required to ensure that becoming a shared service is the right option:

- Willing partners;
- Quality of service is not adversely affected;
- Increased resilience;
- Savings or additional income;
- Pay back period for any implementation costs.

### **Current Partnerships in Place**

- 6 Appendix A lists all of the shared services arrangements currently in place and also those that have ended.

### **Changes since the last report**

- 7 Since the last report Dartford BC have agreed to commission the Housing, Energy & Retraining Options (HERO) Service for two days per week. This will be particularly useful now that Universal Credit is live in both Sevenoaks and Dartford so will ensure that Benefits customers, who are used to the current Revenues & Benefits Shared Services, will continue to receive a consistent service.
- 8 The partnership agreement with Tandridge DC for the Financial Management System has been extended until 2018.

### **Future Partnerships and the Strategy going forward**

- 9 There are separate reports to this committee on extending the Licensing Partnership and a joint CCTV Control Room.
- 10 Since the last report in October discussions have also taken place with other authorities on Operational Services, IT and Legal & Democratic Services.
- 11 Opportunities will continue to be investigated for expanding current shared services and other services that may be possible to share in the future are HR, Refuse Collection, Street Cleaning, Housing Services and Planning Policy.
- 12 Managers are actively looking for opportunities within the surrounding areas and because of this council's reputation are therefore also more likely to be approached. Many managers are in regional or national groups and so are able to promote our services and appetite for partnership working, they are therefore also likely to be aware when other councils are considering taking the shared services route.
- 13 When opportunities arise we must remain mindful of the following issues when considering sharing a service:
- It may cost more to pursue a partnership than the benefits derived.

- This council has a balanced 10-year budget with very tight costings so we have to be careful that we do not lose economies of scale.
- A number of other councils are faced with severe financial pressures and may at short notice need to scale down their services which could have an impact on partnerships.
- Although there could be opportunities available, SDC is recognised as a high performing council and therefore must ensure that we are careful not to create deterioration in service for a small benefit.

14 With many councils looking for further efficiencies it is likely that more opportunities for shared services will arise in the coming years.

## **Key Implications**

### Financial

This report is for information only and there are, therefore, no financial implications arising from this report. The listed partnership arrangements have been entered into by the Council in order to achieve financial savings, deliver increased efficiencies and to improve resilience of service delivery.

### Legal Implications and Risk Assessment Statement.

There are no legal implications.

There are no new risks associated with this report. Each partnership proposal would include a risk assessment.

### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### Community Impact and Outcomes

The partnership working arrangements in Appendix A have delivered financial savings usually through reducing the cost of management or back office services, thus delivering a financial benefit to local residents whilst maintaining customer facing services.

### **Appendices**

Appendix A - Register of shared working arrangements

### **Background Papers:**

None

**Adrian Rowbotham**  
**Chief Finance Officer**