

SHARED SERVICES UPDATE

Legal and Democratic Services Committee - 19 June 2017

Report of Chief Finance Officer

Status For Information

Key Decision No

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

Portfolio Holder Cllr. Firth

Contact Officer Adrian Rowbotham Ext. 7153

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

Introduction and Background

- 1 This is an annual report that was last presented to this committee on 14 April 2016. Shared services is within the terms of reference of this Advisory Committee.
- 2 As financial pressures continue to grow for all local authorities, shared services are often a method to be investigated to help deliver efficiency savings. The external auditors, Grant Thornton review the council's arrangements for Value for Money each year, and in their last review confirmed that there are strong arrangements in place for securing economy, efficiency and effectiveness in its use of resources. Therefore, this council 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 The major council tax preceptors: Kent CC, Kent Police and Kent Fire & Rescue now provide £93,000 funding per annum to the Counter Fraud Team (SDC share is 50%) as they recognise the benefit they receive by additional council tax being collected due to the work of the team. The Sevenoaks/Dartford Counter Fraud Team was the first in Kent to reach this agreement with the major preceptors.
- 8 In September 2016 the Licensing Partnership Manager assumed responsibility for the line management of the Licensing staff of LB Bexley and Bexley became the 4th member of the Licensing Partnership on 31 October 2016. The Licensing Partnership now consists of four teams at four locations with the central Administration Team being based at Sevenoaks. This change has resulted in savings of £15,000 per annum for each of the three original partners. The total savings from the Licensing Partnership for Sevenoaks DC are now £53,000 per annum.
- 9 The contractual arrangements for public convenience cleaning for Tandridge DC and tree advice for Dartford BC have both ended.
- 10 Tunbridge Wells BC, as the host employer, has chosen to end the agreement with Sevenoaks DC and Tonbridge & Malling BC to provide the services of the West Kent Equalities Officer with effect from 31 March 2017.

Future Partnerships and the Strategy going forward

- 11 Since the last report, discussions have also taken place with other authorities on CCTV, Environmental Health, Health, Licensing, Parking Enforcement and Revenues & Benefits.
- 12 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, Housing Services and Planning Policy.

- 13 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.
- 14 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.
- 15 With many councils looking for further efficiencies it is possible that more opportunities for shared services will arise in the coming years however, due to the uncertain impacts of local government devolution, some councils will be reluctant to engage in long term commitments.

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