

SHARED SERVICES UPDATE

Legal and Democratic Services Advisory Committee - 4 October 2018

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. Anna 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 19 June 2017. 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 once again in their last review concluded that the Council had proper arrangements in all significant respects to ensure it delivered value for money 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 Parking Services were successful in winning the contact to provide enforcement in car parks for Tandridge DC for £28,000 per annum. The contract started in September 2017 and will be for two years.
- 8 Moat Housing moved out of Argyle Road on 10 November 2017. They had undertaken a reorganisation of their company, re-designing their structure and rationalising their locations. They are now concentrated on four larger offices in locations strategically placed to serve the social housing properties that they own. Staff from Sevenoaks moved to their offices in Dartford and Croydon.
- 9 Kent County Council vacated Argyle Road on 31 May 2018. This was due to a reorganisation of their Social Services operation.
- 10 A further saving of £50,000 (plus £50,000 for Dartford BC) from the Revenues and Benefits shared service was agreed by Members as part of the 2018/19 budget setting process. The staff consultation has recently concluded and the staffing re-structure approved by port partners. The majority of the savings will be from management posts. The intention had been to try to attract more business but this has not been possible as other councils are not considering changing their current situation. By reducing the number of management posts it is recognised that future expansion of the service will be unlikely.
- 11 The 'One You' service started in December. The Council is working with key partners including Kent Public Health team, GP Clinical Commissioning Groups (CCGs), neighbouring councils, local health and social care providers and the voluntary sector. The service aims to improve the health and wellbeing of residents and reduce health inequalities through targeted assessments and interventions. The service is funded by Public Health funding from Kent County Council.

Future Partnerships and the Strategy going forward

- 12 Discussions with LB Bromley are continuing regarding joining the Licensing and Environmental Health partnerships.
- 13 Following the departure of the Acting Audit Manager, Members of the Audit Committee have asked that the method of delivering the Internal Audit Service should be reviewed. An Interim Audit Manager from the Mid Kent Audit Partnership has been appointed for six months starting on 1 August 2018. During this period the future delivery method for the service will be decided. Options include continuing in partnership with Dartford BC, ending the partnership or joining a wider partnership.
- 14 Opportunities will continue to be investigated for expanding current shared services and other services that may be possible to share in the future.
- 15 Managers are continuing to look 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.
- 16 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.
- 17 Fewer shared service opportunities are currently arising but 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