

Chichester District Council

CABINET

9 February 2016

Shared Services

1. Contacts

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2. Recommendations

- 2.1 That the proposed options appraisal to investigate the business case for a shared service of Revenues and Benefits, ICT, Customer Services, HR, Legal, Internal Audit and transactional Financial Services with Arun and Horsham District Councils be approved.
- 2.2 That up to £20,000 is funded from reserves for Chichester District Council's share of consultancy costs associated with this project.
- 2.3 That Officers be instructed to provide the options appraisal and business case based on the principles identified in paragraph 2.3 of the Appendix to a future Cabinet for consideration.
- 2.4 That this options appraisal is pursued on the basis of approval from appropriate Cabinets at each authority.

3 Background

- 3.1 The Council's key objectives are supported by a number of guiding principles that underpin the organisation. One of these principles is "to use our resources well and innovatively". With continued funding pressures on all local authorities the need to look at more innovative service delivery models has lead many authorities to adopt a shared services model (a standard model across public and private sector organisations.)
- 3.2 Chichester, Arun and Horsham District Councils are committed to the sharing of resources where service improvements, efficiencies or benefits to the customer can be delivered that would not be possible in isolation. Chichester and Arun have successfully shared some service delivery in the areas of Print, Estates, Procurement, training and Benefit Fraud and there may be opportunity to extend this existing precedent to whole services. Horsham District Council has a history of shared services not least as a founding partner of the CenSus shared services partnership which provides a shared Revenues and Benefits and ICT services. In the short term these would not therefore be included in Horsham's part of any

shared services' arrangement with Chichester and Arun although they could potentially form part of a later stage (subject to evaluation and consideration by Horsham's partners (Mid Sussex, Adur and Worthing)).

- 3.3 Success depends on formalisation of existing political commitments, a shared vision of the required outcome and a joint understanding and ownership of the strategy to achieve that outcome.

4. Outcomes to be achieved

- 4.1 A detailed business case, providing Cabinet with sufficient data and analysis to decide on the future operating model for the Council's Revenues and Benefits, ICT, Customer Services, HR, Legal, Internal Audit and transactional Financial Services.

5. Proposal

- 5.1 The Appendix sets out the project proposal. This proposal will also be considered by Arun and Horsham District Council to seek approval to develop an options appraisal and business case based on the approach and principles outlined in the Appendix.

6 Alternatives that have been considered

- 6.1 In 2013 a review of Chichester's ICT service was undertaken by external consultants. As a part of this review, the consultants considered alternative delivery models for the service and recommended considering a shared service arrangement with one or more local authorities to achieve economies of scale. The consultants' view was that due to the size of the service, outsourcing to the private sector was not a viable option.
- 6.2 Each authority could continue to provide these services in-house. However, if frontline services reduce or are delivered by alternative providers, it can be challenging to contract support services on a pro rata basis and can result in a higher recharge to remaining in-house services. The employment of consultants to look at alternative delivery models will provide Cabinet with clarity and assurance that any recommendations coming forward from this initiative are the most efficient and effective options available.

7 Resource and legal implications

- 7.1 Chichester, Arun and Horsham will need to share the cost of employing an external consultant and Officers recommend provision of up to £20,000 be set aside for this for Chichester's contribution. It is proposed that any costs associated with employing an external consultant be shared equally between the three authorities. There will be a need for senior managers to work with the project team and consultants to provide data and service information which may impact on the business and may require some temporary resources to ensure the service to customers and performance is not affected.
- 7.2 If following the options appraisal one or more services are suitable for sharing, significant input will be required from Finance, Legal and HR staff.

8 Consultation

- 8.2 Should this initiative be supported, there will need to be clear and regular consultation and information to Unison and those staff who could be potentially affected with regular monitoring reports to Joint Employee Consultative Panel. At their last meeting the Panel considered an oral update from the Revenues and Benefits Manager on the proposed shared Revenues and Benefits service.
- 8.3 Unison has been made aware of this proposal and those staff who work within the potentially affected services were briefed on 23 November 2015 as to Cabinet's consideration of this report.

9 Community impact and corporate risks

- 9.1 The principles set out in paragraph 2.3 of appendix A will be used to assess the impact of any community or corporate risks associated with the proposed operating model

10 Other Implications

Crime & Disorder:	None
Climate Change:	None
Human Rights and Equality Impact: The business case for each service will be required to consider the impact on staff terms and conditions and on customers' access to services	Yes
Safeguarding and Early Help:	None

- 10.1 The business case and proposed operating model will identify any impacts on staff and customers and will include any associated impact assessments.

11 Appendix

- 11.1 Project Proposal for Shared Services

12 Background Papers

None