

### Project Proposal for Shared Services

#### 1.0 Introduction

- 1.1 With continued funding pressures on all local authorities the need to look at more innovative service delivery models has led many authorities to adopt a shared services model (a standard model across public and private sector organisations.)
- 1.2 Chichester, Arun and Horsham District Councils are committed to the sharing of resources and have a history of successfully sharing services. Management teams have agreed there is merit in exploring the potential to share ICT, Customer Services, HR, Legal, internal Audit, transactional Finance and a Revenues and Benefits Service. If the authorities extend their shared services substantially, ICT will be a key component to delivering a shared arrangement. Arun and Chichester District Councils are in the process of a joint procurement for a replacement telephone system which would be a key piece of infrastructure to support the sharing of systems and data. The specification for this replacement has been designed to enable expansion to other authorities in the future.

#### 2.0 Project Description

- 2.1 This project will consider service delivery options and identify whether there is a business case to implement a shared service arrangement for some or all of the proposed services. It would be essential therefore firstly to have political commitment from each authority and agreement as to the principles that will underpin a business case to provide each respective authority with sufficient data and information to make an informed decision as to the merits of a shared service.
- 2.2 Success depends on a shared vision of the required outcome and a joint understanding and ownership of the strategy to achieve that outcome.
- 2.3 It is therefore proposed to apply the following principles to any business case coming forward to enable each respective authority to assess the validity of progressing a shared service arrangement:-
- a) Ensuring that no one partner is worse off
  - b) Ensuring the outcome meets each authorities' objectives
  - c) Ensuring that the customer remains at the heart of everything we do
  - d) Providing resilience through the sharing of costs and resources to protect future services.
  - e) Having a clear vision, objectives and required outcomes supported by a recommended operating model that demonstrates:-
    - i. Specific service and/or financial efficiencies for all partners.

- ii. Whether a shared service model is the most beneficial delivery model to partners, compared to retaining a service in-house or outsourcing to a private contractor.
- iii. The impact on staff, customers, performance and systems
- iv. The investment and resources required to deliver the proposed operating model and return on investment period
- v. The future investment required by both organisations to maintain the operating model
- vi. A roadmap/strategic direction of the proposed operating model that future-proofs the partners and provides opportunities for staff and systems
- vii. The governance arrangements that will be implemented to support the operational delivery of the service, the decision-making process and sharing of benefits/efficiencies.
- viii. A delivery timeline to full implementation

2.4 The senior management teams at Chichester, Arun and Horsham District Councils will present this proposal to their respective Cabinet Members and assuming this is supported by them, it is proposed that an options appraisal is progressed to investigate the business case as identified above.

### **3.0 Project Costs and Resources**

3.1 This project will require some external consultancy to provide impartial challenge and independent experience of shared services, together with a joint governance arrangement between the authorities, involving portfolio holders, senior management teams and related service managers. The business case and service delivery model(s) for each service will be presented to a future meeting of each respective Cabinet to be assessed against the principles set out above before any further commitment is made.

3.2 An application for funding has been made from the Local Government Association Productivity Expert Programme. This programme provides 10 days consultancy support from an expert with extensive experience of planning, implementing and delivering shared services in the public sector. The intention is to use this expertise to assist in the development of the business case. However, 10 days is a limited resource in view of the extent of the project and officers propose that provision be made for the employment of an external consultant, the cost of which to be shared between the authorities. This would provide the opportunity to acquire additional support to deliver the business case if necessary and/or to support the funding of external expertise during any future implementation phase.

### **4.0 Timescales**

- 4.1 Each authority will consider the project proposal during February 2016 and provide approval for which services should be progressed to business case.
- 4.2 Each authority will appoint their respective officers to specific roles within the proposed project structure (see Appendix A)
- 4.3 The LGA consultant will be appointed in February and will provide an initiation workshop for key staff within each authority to provide clarity of process, roles, responsibilities and governance during the process
- 4.4 Completion of individual business cases for each of the proposed services will be completed within four months for consideration by each authority's Cabinet Members.

## 5.0 Risks and Mitigation

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Staff resources to support the development of the business case	M	M	Issues arising to be identified by each authority's Project Lead and raised at Improvement Board to consider providing additional resources/support for service area. Each authority to fund any additional resources within their individual services to deliver the project.
External consultant understanding of service in compiling a robust business case	M	M	Each authority to identify lead officer to provide data and service information to consultant. Consultant to report to Improvement Board and Project Group with regular progress reports and analysis of data
Support staff such as ICT, Accountancy and HR unable to resource delivery of information requests for each of the six business cases	M	M	Detailed project planning to mitigate risk. Project plan to be owned by Project Board and scrutinised by Improvement Board
One partner not in a position to proceed with a particular shared service within timescales required by remaining partners	H	L	Service delivery models to be designed to enable a partner to join shared arrangement at future date. The business case to identify any issues or costs associated with this scenario.
One or more partners decide to outsource ICT to a	M	L	Each shared service arrangement to have one employing body so that the service delivery model

private contractor			uses the ICT provided by that partner, whether shared, in-house or outsourced.
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A comprehensive risk log will be developed as the project evolves and will be the responsibility of the Project Board to manage.

## **6.0 Conclusion**

- 6.1 A shared service delivery between partner authorities is now more commonplace across public sector organisations and can provide significant benefits to organisations and customers. Rather than simply converging services and systems, it can provide the opportunity for innovation in service delivery for the improvement of services and to provide the financial efficiencies that will be a determining factor in assessing the business case. Developing a robust business case that provides assurance and clarity of those benefits is essential before approving implementation as a shared service is a long-term commitment.

## Appendix A

### GOVERNANCE FOR BUSINESS CASE PHASE OF SHARED SERVICES PROJECT

#### ROLE

#### MEMBERSHIP

##### **Cabinet/Council**

Agree Principles and Funding.  
Consider/approve Business Cases and associated costs

Constitutional Membership of respective authorities



##### **Joint Business Improvement Board**

Decision Board for Project Team. Ensure principles adhered to. Represent political and constitutional impact on both authorities. Provide challenge and support to Project Board.

Chief Executives (Project Sponsor) ,  
Leaders, Cabinet Portfolio Holders,  
Project Leads and external consultant



##### **Project Board**

Co-ordinate project work streams, Ensure robust business case. Setting and Overseeing project timescales, identify and allocate resources, project communication

Project Manager from each authority,  
external consultant, (Work-stream  
Managers, Head of Service, Procurement,  
Accountant, ICT, Legal & HR as required)



##### **Workstreams**

Support Consultant and Project Leads in development of business case

Corporate Project Co-ordinator, Service  
Managers, ICT, (Legal, HR, Estates,  
Procurement, Accountancy as required)