

WYRE FOREST DISTRICT COUNCIL

CABINET MEETING
THURSDAY 24TH APRIL 2008

Shared Services Strategy

OPEN	
COMMUNITY STRATEGY THEME	N/A
CORPORATE PLAN THEME	Delivering Quality Services
KEY PRIORITY	Improving Customer Service
CABINET MEMBER	Cllr John Campion Leader
HEAD OF SERVICE	Walter Delin Chief Executive
CONTACT OFFICER	Walter Delin Chief Executive
APPENDICES	A: Shared Services Strategy B: Cabinet Report January 2007

1. PURPOSE OF REPORT

1.1 To approve the adoption of a final Shared Services Strategy.

2. RECOMMENDATION

The Cabinet is asked to RECOMMEND to Council that:

2.1 The final Shared Services Strategy as contained in Appendix A be adopted.

3. BACKGROUND

3.1 In 2007 the Council adopted an interim Shared Services Strategy, including a vision and key principles for the development of a final strategy. See attached Cabinet report Appendix B.

3.2 Since then, a number of discrete work streams have been considered at County and District level and further guidance has been issued by the Department for Communities and Local Government and others.

3.3 The main message is that shared services should be developed on the basis of the realistic benefits of collective provision and reallocation of resources to frontline service improvement, rather than for crude efficiency objectives and shared services dogma.

3.4 The pressure to achieve value for money is ever increasing. The Comprehensive Spending Review CSR07 efficiency requirements, the Audit Commission's Use of Resources Judgement, the Value for Money Assessment and the overall need to become both more effective and efficient are at the top of the national agenda and are now reflected in the Council's corporate priorities.

- 3.5 Tax payers are reluctant to see their taxes increase. Competing demands for priority mean that local authorities have to manage their resources to meet citizen expectations.
- 3.6 The current shared services and joint working arrangements are:

Service	Partners
Housing and Grounds Maintenance	Wyre Forest Community Housing
Leisure Services	DC Leisure
Community Safety	Police, Fire and Health
Children and Young People	Worcestershire CC
Disability Access	Worcester City
Care and Repair Agency	Bromsgrove and Redditch
Worcestershire Hub	Countywide
Tourism - Destination Worcestershire	Countywide
Council Tax Leaflet	Countywide
Concessionary Travel	Countywide
Computer Audit	Worcester City
CCTV	Bromsgrove
Procurement	West Mids Centre of Excellence
Business Continuity Planning	Worcestershire CC
Environment Enforcement	West Mercia Police
Benefit Fraud - Prosecutions	Department for Work and Pensions
Building Maintenance	Wyre Forest Community Housing
Decriminalisation of On-Street Parking	Wychavon
Audit Management	Worcester City
Equality and Diversity	Regional Partnership/Worcestershire CC
Specialist Planning Services	Under consideration
Litter Picking - Lengthsman Scheme	Parish Councils
Property Management Services	Worcestershire CC
Waste	Worcestershire CC
Community Engagement	Worcestershire CC
Economic Development and Regeneration	AWM/Worcestershire CC
Leadership Training	Countywide
Health and Safety	Redditch B.C.

- 3.7. Opportunities for considering other service workstreams continue to be explored e.g. street scene.

4 KEY PRINCIPLES AND BENEFITS OF SHARED SERVICES

- 4.1 To ensure that the quality of service, democratic accountability and governance, the quality of employment and a rigorous planning process are achieved, shared services projects should follow the principles set out in the final strategy at Appendix B.

4.2 The potential advantages of shared services often get buried in the transformation rhetoric and confused with the process of change and organisational structures, which should be a means to an end rather than being a core objective.

4.3 Our focus will be on:

- Learning and sharing best practice through collaboration and lead authority roles.
- Pooling and sharing of resources and investment in new systems, which may not otherwise be affordable by an individual authority.
- Achieving economies of scale and efficiencies thus reducing the cost of services (fewer locations, systems and equipment) and redirecting savings to frontline services.
- Applying new technology to simplify and standardise processes.
- Improving the quality of services by redesigning and reorganising delivery methods.
- Sharing training and development costs.
- Increasing capability and flexibility to absorb peaks and troughs.

5. FINANCIAL IMPLICATIONS

5.1 Any savings or cashable efficiencies are likely to come from:

- Staff rationalisation through economies of scale
- Adoption of best practice in working practices across the partnering organisations.
- Lower accommodation costs by moving to a single site
- Fewer management overheads and more streamlined reporting procedures
- Cheaper procurement through aggregated demand.

6. LEGAL & POLICY IMPLICATIONS

6.1 The Council has powers, particularly under the Local Government Act 2000, to do anything which it believes will achieve the improvement of the social, environmental or economic well being of its area and this includes entering into collaborative agreements with third parties. Other powers are available under the Local Authorities (Goods and Services) Act 1970 which provides additional powers to enter into arrangements with other local authorities. In each case the Council should be satisfied that a sound business case for the arrangements can be demonstrated and that, in the case of any use of its 2000 Act powers, it has regard to its own Community Strategy when deciding whether or not to use those powers.

7. RISK MANAGEMENT

7.1 All projects have risks and shared services are no exception. In addition to the usual project management, financial and operational risks there are also risks arising from having more than one client and/or clients from different services. They include:

- Benefits are much smaller than first assessed which has a knock on impact on budgets.
- Job losses, relocation, transfer to private contractors, cuts in terms and conditions and lower quality pension impose economic risks on staff.
- Differences emerge between public sector bodies regarding the objectives and purpose of the project.
- Differences in management and cultural fit are more substantial than envisaged and cause delays.
- The required level of business process re-engineering is underestimated causing technical problems and additional costs.
- Reaching agreement on a suitable governance model takes much longer because of different types and levels of accountability and transparency in cross sector projects (for example local government, health, police).
- Failure to involve staff and trade unions in the planning and design of the project leads to opposition and political decisions to restrict the scope of the project.
- Disputes arise as a result of competition between authorities on the location of facilities and staff.
- Agreement on IT/software and operating systems cannot be reached because of previous investment and commitments.
- Conflict arises over the role of the private sector in the shared services project.
- Conflict arises over the role, use and appointment of particular management consultants in developing the shared services project.

8. CONCLUSIONS

- 8.1 Local Government is coming under increasing pressure through the budget allocation and policy direction from Central Government to start working in a more collaborative way to improve both the quality and cost effectiveness of the services it provides. The Council also needs to work with partners to achieve the major improvements in quality of life that cannot be achieved in isolation. The Strategy provides a framework and guidance to ensure that the Council is clear about the purpose of new and existing shared services and only goes forward with new initiatives on sound principles.

9. CONSULTEES

CMT

Employees through Chief Executive's Bulletin "Shared Services"

Trade Unions

10. BACKGROUND PAPERS

Various reports and publications from DCLG, Cabinet Office, IDEA, IPF and the European Services Strategy Unit.