

FUTURE OPTIONS: TECHNICAL NOTE

Title	Harborough's history of sharing
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Author(s)	Norman Proudfoot
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Content	
<p>1. Introduction</p> <p>This note details the process and main outcomes of the analysis of the current shared services that the Council operates. The term shared services includes a wide range of service models ranging from simple sharing of posts between two authorities to the complex sharing of complete services with a number of partners. The aim is to gain an understanding of the main issues around the sharing and identify any unintended consequences which occurred as a result of the sharing.</p> <p>2. Process</p> <p>The various shared services were initially identified as 13 service areas where there was some form of shared activity. The analysis was concentrated on 10 of the services which provided a cross section of deliverables. Interviews were conducted with a number of staff involved with the services. The interviews with the staff established from firsthand experience the problems and issues that the sharing of the services had to address. Further interviews were also conducted with a range of partnering organisations to understand the implications to our partners.</p> <p>The Revenues and Benefits shared services had only recently been implemented and it is an example of a more complex model of sharing between three authorities. It was therefore decided to undertake a more detailed analysis of this service which would highlight the issues which arose. The information would also be able to inform the post implementation review at a later stage.</p> <p>The notes from all the sessions and interviews are attached as appendices.</p> <p>3. Outcomes</p> <p>A range of critical issues for each shared service project were identified and these were grouped around the following; the driver for the shared service initiative, customer improvement, resilience, transformation, costs, performance, operational issues and unexpected consequences.</p> <p>3.1 The Drivers</p> <p>The drivers were varied for many of the projects. 30% of the shared services had originated through the Welland Shared Services route where the decision was taken by the Welland authorities to develop shared services for procurement, Internal</p>	

audit and legal services.

40% of the projects reported that new legislation and the potential for savings were the key drivers. The remaining projects identified that the need for consistency across the County and staff retention were the significant reasons for the shared service development.

3.2 Customer Improvement

All projects noted improvements for the customer, with a wide variation of improvements – some large scale – the Emergency Planning identifying risks earlier and responding quicker. Others smaller scale- flexibility of contaminated land officers. It was clear that the services had been developed with a customer focus and there are clear customer benefits to the revenues and benefits service when the implementation has been completed.

3.3 Resilience

All projects except one identified that resilience was improved through the shared service. The increase in resilience occurred mainly through the ability to call on more staff in urgent cases and this was identified a number of times. The Emergency Planning service highlighted this as a key part of the service. The Revenues and Benefits project identified this as an important factor which would be evident when the project had been fully implemented. This would enable staff to work on any of the three Councils work load at any time to effectively address peaks and troughs. The parking service similarly enables the civil enforcement officers to work across the five districts to meet demand or staff shortages.

3.4 Transformation

Only one project could not identify any transformational changes which have occurred as a result of the shared services. Development of different systems and processes has occurred through many of the services. Applying best practice has been paramount and has initiated transformation.

Good examples include a number of remote/mobile working initiatives (procurement , parking , revenues and benefits, internal audit), increasing access to services (Revenues and benefits, stray dog service,) and utilising best practice (legal service ,revenues and benefits, emergency planning). The payroll project will eventually enable staff to use the self service module to keep their personal details updated and access all their salary information on line which will be a major transformation.

3.5 Costs

The total savings of all the shared services can be shown as approximately **£200,000** per annum.

The Welland procurement unit records the savings it brings to Councils through the contracts it procures and there are robust records of the savings which have been realised through the unit. The annual savings in 20010/11 for HDC through all the

contracts procured by the unit have been calculated to be approximately **£460,000**.

The anticipated savings in many of the projects are unclear and there is little evidence of detailed audit trails highlighting the actual savings. It would however appear that all the shared services result in savings albeit in some cases (contaminated land post) they are minimal and not the main driver for the shared service.

3.6 Performance

There is evidence that performance has improved or has been maintained in all the projects. In most cases the evidence shows that there are efficiencies through completing similar work for a number of authorities such as in the case of internal audit where the same audits are undertaken for all four Councils. The auditors can therefore apply learning from previous audits on the subject area. Service quality improvements were noted from increasing consistency and utilising experience of staff. There is also evidence that the shared services have increased the range of skills available in legal services and the equality and diversity areas.

Many of the shared services do not have specific performance indicators which can track improvement and it would be easier to show improvement if there were relevant indicators. The payroll project has a clear indication of increased accuracy and the revenues and benefits shared service will have useful performance indicators which will clearly show performance levels.

3.7 Operational Issues

Operational issues were prevalent with the larger more complex projects. Where the service was a smaller scale there were very rarely any operational issues.

The two key areas for operational issues were the IT involvement and staff/Human resources issues.

The IT issues were usually around connectivity and security preventing partners from linking IT systems and transferring data. In some cases it is difficult for non technical staff to understand the issues and which party owns problem and is able to resolve it. There have also been issues where one partner is able to progress using similar platforms where others couldn't and these problems were particularly difficult to resolve.

The staff/human resources issues are clearly around early effective engagement, listening to staff concerns and providing regular feedback. There were also issues around realistic timescales which enabled full staff involvement.

The other human resources issue was around the terms and conditions of employment where the shared services has resulted in staff working together in similar posts with different employment terms around salary, leave and working time.

3.8 Unexpected Consequences

There were many examples of the shared services resulting in benefits which had not been anticipated. The procurement unit has provided access to a range of different networks and organisations both local and national, the equality and diversity service provided good links to the County Council and subsequently were able to access free training for staff. The revenues and benefits project reported that national publicity about the project has led to many approaches from other potential partners. Many of the services mentioned that they had underestimated the usefulness of being able to undertake detailed benchmarking and utilise best practice.

The payroll project found that the learning that they had gained from phase 1 of the project meant that they were able to reduce the implementation time for phase 2. Within the emergency planning project they were also able to transfer learning from one district to another and found that although the scale of the issues was often different the action was invariably the same action but on a different scale.

3.9 Revenues and Benefits

The initial part of the post implementation review has been completed for the Revenues and Benefits shared service however as the service has only recently been implemented, there are a number of operational issues which need to be addressed before the full post implementation review can be completed.

It is accepted that the project is still in the early stages of implementation and the initial findings highlight areas where there may be useful learning for future similar work. The following areas have been highlighted ;

- That the drivers for the project were around the potential for efficiency savings which were highlighted in a previous report by Deloitte which outlined the potential for considerable savings if all seven districts were to share the service.
- There are major customer improvements likely with the interface between customer services and revenues and benefits staff to ensure that the customer services are able to answer most queries without the need to refer. However feedback from customer services suggested that the service started operating before the necessary software had been fully implemented which led to delays in responding to customers. There were also issues with other service shops and the delivery of documents which appeared to hamper customer services efficiency.
- Resilience will clearly improve with the ability to interchange staff from all three councils. The three councils have implemented the project at different stages so all staff currently are not able to fully work across all three districts. Although this will be resolved shortly.
- There are huge transformational improvements with the project introducing remote working on a large scale, electronic documents and the next phase of the project will include customers being able to access their information and update as necessary. Training was highlighted by staff as a key issue and the

need to have sufficient time to learn the new systems.

- The service is making savings of approximately £25,000 in this current year and predicted to make £90,000 next year.
- Performance is generally improving although there are some issues with delays on council tax benefits which customer services have raised and this is being addressed.
- There are a number of operational difficulties which are still being addressed around the following
 - IT- supply of hardware, home working issues, printing of documents and retrieval of documents, provision of hot desk accommodation.
 - HR-different terms and conditions of staff on same teams, working times different.
- The feedback from some of the staff has highlighted that they wanted more engagement early on in the process and more face to face sessions where they could raise issues. They also suggested that the timelines were too short on some stages of the project and this impacted on the training they could complete prior to going live.
- Whilst the project was delivered in line with the project plan there were constraints on the timescales imposed by the REIP funding requirements. This would appear to have resulted in the service going “live” before all the new processes have been fully embedded. There will inevitably be problems with the launch of any new service and the learning is whether any of then issues could have been foreseen.

A full review when the service has been fully implemented will provide further information on the practicalities of developing a shared service however it has been useful to review the service during the early stages of implementation when some of the issues were current and could easily be captured for reference.

Sources of Information	Interviews with relevant staff HDC Shared Services document Revs and Bens project planning documents
Consultees	Officer representatives from each service External partner representatives <ul style="list-style-type: none"> • Leicestershire County Council • Welland Procurement Unit • Hinckley and Bosworth Borough Council • Revs and Bens Project Manager
<p>Officer Conclusions</p> <p>The conclusions which we could draw from the shared services reviews are ;-</p> <p>1. Most of the current shared services are delivering savings and the current</p>	

level of annual savings from all the shared services equates to approximately £200,000.

2. The benefits from the current shared services can be summarised as:
 - Economies of scale with procurement.
 - Pooling of scarce or specialist skills
 - Access to wider range or depth of expertise
 - Economies of scale in transactional work
 - Increased staff development and/or career opportunities
 - Creating a single point of contact for customers for greater consistency.
 - Efficiency gains from increased flexibility and staffing resources.
 - Transfer of best practice within the partnerships.
3. The shared services have promoted transformational change and a culture of best practice within their service area.
4. Whilst a number of the shared services have developed from the initial Welland Partnership there does not appear to be a strategy to developing shared services within the Council. Each shared service has developed in isolation from a particular need in that area.
5. There is a need to adhere to sound project planning principles as in a number of cases there was little clarity around the issues of drivers, costs and anticipated performance levels. This makes it difficult to analyse the benefits and monitor progress.
6. There appears to be little reference to indirect consequences of the shared service. Where there have been staff reductions it is not clear that appropriate changes have been made to the support services. The impact on areas such as customer services is not always recognised.
7. The significant operational difficulties from implementing shared services appear to be around IT and Human Resources issues. Where these have been aligned the transition to the shared service has been more successful.
8. Effective engagement with all the relevant staff at an early stage will help with the implementation of the service.
9. Many of the earlier projects have not considered exit strategies to enable partners to leave the shared service or to deconstruct the service should it no longer be required.
10. Ensure that the timescales are realistic and there is some flexibility to cope with unexpected issues.