

CABINET

Shared Services Programme 1 September 2009

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
To seek Cabinet's approval to progress the development of a Shared Services Programme with other local authorities and authorise officers to research further opportunities for shared service options across the full range of council services. To note that resources of £50,000 from Team Lancashire have been made available to assist in the development of the Programme.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Officers	<input checked="" type="checkbox"/>
Date Included in Forward Plan	N/A		
This report is public			

OFFICER RECOMMENDATIONS :

- (1) That Cabinet approves the development of a Shared Service Programme as outlined in the report and authorises officers to continue to research opportunities across the full range of council services, noting that initial work will concentrate on a shared service for the Revenues and Benefits service.
- (2) That Cabinet notes that the £50,000 of funding allocated from Team Lancashire will be used to recruit a project manager to co-ordinate the research and development of the options for inclusion in the Programme, and authorises the Head of Financial Services to update the budget accordingly.

REPORT

1 Introduction

- 1.1 Elsewhere on this agenda are a series of reports regarding the council's budget processes and the need to develop a robust approach to identifying savings and efficiency options. In particular, Cabinet are being asked to approve a Savings and Efficiency Programme that provides the framework for cabinet members to bring forward their options for balancing the budget.

- 1.2 An integral part of the Savings and Efficiency Programme is to develop a programme for researching opportunities for partnership working with other councils to bring about savings and efficiencies. This Programme outlines how this can be done and seeks Cabinet's approval for officers to continue discussions with other councils to identify options for Shared Services and report back to Cabinet.

2 Shared Services Programme

- 2.1 Shared Services is the arrangement between 2 or more councils to provide a common service in partnership. The exact governance and operational arrangements of any shared service will reflect the local circumstances of each partner to provide joint benefits for each council. These arrangements can only be determined following a full review of the options and consideration of a business case that identifies the benefits to be achieved for each partner.
- 2.2 Shared Services is not a new concept to the City Council and is generally accepted within local government as a means to generate community benefits and cost efficiencies. The Council already has in place two successful shared services; one in respect of its Museums service delivered in partnership with the County Council, and one in partnership with South Lakeland DC in respect of the joint Licensing Manager.
- 2.3 Members will already be familiar with the Team Lancashire agenda within the county which seeks to establish improvements and efficiencies through joint working in the way that councils deliver and commission services to meet community needs. Work is now being progressed in Team Lancashire through 3 clusters, namely Pennine Lancashire, The Fylde, and Mid Lancashire, and councils are now working together to identify opportunities for joint working within these clusters.
- 2.4 Lancaster is within the Mid Lancs cluster group which consists of Preston, South Ribble, Chorley and West Lancashire, and the cluster has been awarded £100,000 to support the development of efficiency options for joint working. Arrangements are at an early stage for developing a programme for shared services, and consequently no service areas have been ruled out from being reviewed to see if there are any savings opportunities.
- 2.5 However even at this early stage, it is clear that the Revenues and Benefits Service offers significant opportunities for a shared service and discussions have already begun with Preston City Council to consider what options there are for a shared service between the two councils. A similar exercise is taking place between South Ribble and Chorley who already share their financial services arrangements.
- 2.6 The extent of any shared service for Revenues and Benefits would need to be the subject of a detailed business case clearly showing the scope of the governance and operational arrangements and the benefits it would deliver. It is likely that the benefits to be achieved would be through sharing a senior management structure, IT systems, and back office functions and would not affect the service delivered or experienced by residents through our customer services centres and telephone exchange.
- 2.7 In order to undertake the research, an initial allocation of £50,000 has been made to Lancaster and Preston from the £100,000 allocated to the cluster, to research the options for shared services and in particular, for a Revenues and Benefits shared service. It is likely that this resource will be used to recruit a project manager to co-ordinate any research and to prepare a business case where benefits can be

demonstrated. This process would use the Lancaster LAMP project management methodology

- 2.8 Cabinet therefore are recommended to authorise officers to continue to research opportunities for shared services across the council and to receive reports back in the future that highlight opportunities to generate savings and improvements through a shared service arrangement. Cabinet are asked to note that this work will be co-ordinated through the recruitment of a project manager using the resources allocated to this from Team Lancashire.

4 Consultation Exercise

Staff have received a briefing on the need to generate savings and efficiencies as part of this year's budget exercise and the need to research opportunities for partnership working. Also, staff in the Revenues and Benefits service have received a specific briefing in respect of the work currently taking place to develop a shared service for Revenues and Benefits, and the unions have also been advised of progress to date.

5 Options Analysis

The following options are available to the Cabinet.

- i. To authorise officers to continue to work on developing opportunities for shared services as outlined in the report and to specifically develop options for a Revenues and Benefits shared service in partnership with Preston City Council co-ordinated by a project manager recruited from the monies allocated from Team Lancashire
- ii. Not to progress with the research to develop a programme of shared services

Preferred Option

The preferred option is option 1. This will ensure that the council has an agreed framework in place to research and bring forward potential options to generate savings and efficiencies through shared services with other local authorities. The recruitment of a dedicated project manager to co-ordinate the process, financed by Team Lancashire, would provide the resources and expertise to complete the project.

At this stage, the proposal is only to pursue an opportunity – although this will require input from other council services and as yet, the resource implications have not been identified. These will be identified in the development of the business case. Other risk considerations attached to actually implementing shared service would form a key part of any project work.

RELATIONSHIP TO POLICY FRAMEWORK

The creation of a Shared Services Programme would assist the council in identifying savings and efficiency options for Cabinet to consider in bringing forward its budget proposals.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The use of business cases to develop options will ensure that benefits identified for introducing shared services will be sustainable and achievable.

FINANCIAL IMPLICATIONS

The costs associated with undertaking the research and development of a shared services programme will be met from the £50,000 Team Lancashire budget allocated for this purpose. It is likely that by adopting the LAMP methodology, additional officer support would be required by the appropriate services from within the Council. This would need to be assessed and should there be any financial implications that cannot be met from existing budgets, this would be brought back to Members for consideration.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None.

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