

Report of the Chief Executive

SHARED SERVICES ANNUAL REPORT1. Purpose of report

To inform members of current shared service arrangements and proposals for the future.

2. Detail

Attached at appendix 1 is the Council's Shared Service Policy. In this document the Council's current shared service arrangements are categorised and a scanning exercise has highlighted proposals for future development.

An assessment of current arrangements has been conducted against the requirements of the policy by the shared services internal board and any areas identified for improvement have been highlighted in appendix 2. In other respects the services are policy compliant. An internal audit of shared service arrangements was conducted in 2017 with a conclusion that "Internal audit considered that controls within the system provide substantial assurance that risks material to the achievement of the system's objectives are adequately managed."

3. Financial implications

Appendix 3 contains a high level summary of the financial contribution shared services makes to the Council's budget.

Recommendation

The Committee is asked to:

- 1. RESOLVE that the Shared Services Policy in appendix 1, including the future direction for developing shared service arrangements set out in the table under 6.1, be approved.**
- 2. NOTE the progress on improvement activity and future planned improvement action in appendix 2.**

Background papers

Nil

BROXTOWE BOROUGH COUNCIL'S SHARED SERVICES STRATEGY**1. Definition: What is a 'shared service'?**

Shared service provision can take many different forms. It is closely linked to partnership and collaboration. The categorisation used by Department for Communities and Local Government for shared service arrangements is set out in technical notes to the publication 'Structures for collaboration and shared services'. It is recognised not to be an exhaustive list but it is the best currently available and will be used as a categorisation framework by Broxtowe.

CATEGORY	DESCRIPTION
A	Centralisation and standardisation within a single local authority e.g. shared personnel and HR activities
B	Collaboration between authorities on strategic approaches
C	Collaboration between bodies for: <ul style="list-style-type: none"> o the better delivery of services e.g. sharing of expertise or cost reduction o improved procurement including joint commissioning o collaborative procurement including joint commissioning
D	Franchise approaches: <ul style="list-style-type: none"> o local authorities providing direct support to another o one local authority providing methodologies to others
E	Joint service delivery between authorities
F	Joint service delivery between different types of public body
G	Commercial trading through exploitation of assets, skills or location to provide new income for the benefit of the initiating authority or authorities to offset cost of services
H	Commercial partnership/trading with a private sector partner

2. What current shared service arrangements does Broxtowe Borough Council have in place?

Current shared service arrangements in Broxtowe are listed below:

Category A: Internal centralisation and standardisation

Broxtowe's HR, finance, design and print, communications and ICT services fall within this category as they are all centralised. Increasingly, first line customer contact and administration has been standardised and centralised (the later following a two stage administration review in 2017/18). Although in theory both services have some scope for extension, in practice the need for retention of some administrative capacity within sections across a range of functions has made it difficult to release more resource into the

contact centre or administration business support unit unless wider restructuring occurs. However the New Ways of Working project will explore the potential for further centralisation of administrative resources.

Category B: Collaboration between authorities on strategic approaches

- Nottingham City Council, Nottinghamshire County Council, Derbyshire County Council, Erewash Borough Council, Ashfield District Council, Gedling Borough Council, Rushcliffe Borough Council and Broxtowe Borough Council partly fund the employment of two individuals who report to the Joint Planning Advisory Board (which Broxtowe chairs) to manage the development of Aligned Core Strategies for the Councils, joint commissioning of the evidence base and influencing of strategic transport issues which operate across the wider Greater Nottingham area. (This partnership also has elements of category C, D and E within its arrangements but is essentially a category B arrangement.)
- The HS2 project has led to the creation of a new HS2 Strategic Programme Board, which Broxtowe is represented on, and an HS2 Hub Station Delivery Board, which is now chaired by the County Council, as delivery has reached a new stage of development.
- The Nottinghamshire Economic Prosperity Committee, on which the Leader of the Council represents Broxtowe, is an important formal joint committee which co-ordinates and prioritises plans for economic growth and infrastructure requirements across Nottinghamshire.
- All the partners within the statutory South Nottinghamshire Community Safety Partnership (including Broxtowe) work to produce a common strategic assessment, strategy and action plan for crime and disorder reduction across South Nottinghamshire. (This partnership also has elements of category C, D and E within its arrangements.) A mental health worker is jointly employed between the three authorities.
- The Council works with Gedling and Rushcliffe Councils to produce a Joint Homelessness Strategy covering the three areas. The latest one was agreed in 2017.
- Notts Waste Partnership consists of a collaboration of appointed councillors responsible for waste collection in Nottinghamshire.
- Broxtowe works within the Broxtowe Local Strategic Partnership and its task groups to deliver projects mainly concerning health and wellbeing and children's and vulnerable adults services. Working arrangements were streamlined recently and the partnership meets less frequently as a result.

Category C: Collaboration between bodies for better service delivery, cost reduction or joint procurement

- The Council jointly procures refuse vehicles, vans, wheels and driver training in partnership with all the other Nottinghamshire districts.
- The Council is a partner of East Midlands Lawshare which has jointly procured specialist legal advice through a framework agreement which Broxtowe can draw on when required.
- Election stationery has been procured across a partnership of 8 authorities in Nottinghamshire.
- The use of the Pentanna performance management software system with Notts County Council and other Notts districts enabled economies of scale and procurement of the system at a cheaper price.

- Broxtowe leads a partnership between Gedling, Rushcliffe and Broxtowe to deliver choice based lettings.
- Broxtowe has partnered with Newark and Sherwood and Ashfield District Councils on CCTV monitoring enabled through wireless technology. This has opened the door to jointly commissioning maintenance and procurement of CCTV-related equipment. Newark and Sherwood and Broxtowe are working together through shared CCTV management.

Category D: One LA providing a service for another

- The City Council delivers a clinical waste collection service for Broxtowe's residents.
- Broxtowe sells internal audit services to Erewash Borough Council. This particularly involves selling management capacity.
- Broxtowe provides senior property management and valuation services for Ashfield District Council.
- Erewash provides a managed service for Broxtowe's Revenues and Benefits services.
- Erewash Borough Council provides building control services for Broxtowe.
- Broxtowe provides an ICT training service for Newark and Sherwood District Council and Rushcliffe Borough Council on an occasional basis.
- Ashfield District Council provides Broxtowe with an NNDR service.
- Broxtowe has a contractual relationship with the County Council to deliver a grass verge cutting service in our area and a weed killing contract on behalf of the County Council.

Category E: Joint service delivery between different authorities

- Erewash Borough Council and Broxtowe Borough Council jointly run Bramcote Crematorium and a burials service for the benefit of residents in both boroughs.
- Broxtowe, Newark and Sherwood District Council and Rushcliffe Borough Council work together under a shared Chief Information Officer which includes jointly managed ICT functions, information governance and joint commissioning of hardware and software.
- There is a joint partnership for on street parking with the County Council. This covers enforcement across Nottinghamshire, employment of bailiffs and a central processing unit. Under the partnership Broxtowe manages off-street car parking across Rushcliffe including procurement of consumables.

Category F: Joint service delivery between different types of public body

- The police co-location at Beeston falls into this category, but stops short of full blown integrated joint service delivery.
- Social enterprise collaborations include a furniture recycling partnership through the housing section with Hope Nottingham.
- Broxtowe provides the County Council with services to County Council customers through our customer service centre.
- The Council collaborates with the CAB, which is located within the Council offices in Beeston.
- Broxtowe provides occasional support to Parish councils on legal, ICT, HR, and health and safety issues.

Category G: Commercial trading

- Broxtowe delivers a trade waste recycling service to build on its existing trade waste service. This competes with private sector providers.
- Broxtowe's leisure centres compete against private sector providers through the Teckal Company Liberty Leisure Ltd.
- The recent acquisition of the interest in Beeston Town Centre has developed the Council's commercial property interests from which it derives income.

Category H: Commercial trading with private sector partner

- Broxtowe helps private sector owners to rent property in the interests of people who need somewhere to live.
- Broxtowe has a partnership relationship with Greene King regarding car parking at the Sun Inn car park.

3. Broxtowe Borough Council's approach to shared service arrangements

- 3.1. Broxtowe Borough Council will adopt a default position in favour of joint procurement as far as significant procurement is concerned. This means that whenever procurement of a significant item, goods or services are concerned, officers should first look to achieve economies of scale by working jointly with other public sector providers to achieve the most cost effective result. Whilst it may not always be possible to achieve this because of service delivery issues, timing or unwillingness of others to partner, it should always be investigated and an explanation given as to why this approach cannot be pursued if it is not followed.
- 3.2. Broxtowe Borough Council will actively seek to progress shared service arrangements as part of its approach to achieving cost effectiveness and excellence in service delivery where:
 - there is a clear business case to support the proposed activity
 - there are identifiable financial and/or service delivery benefits underpinning the arrangements
 - the arrangement demonstrably benefits either directly or indirectly, residents of the Borough
 - other potential models of service delivery, such as outsourcing, or continuing in-house provision have also been given due consideration and the shared service method preferred is demonstrated to be superior.
- 3.3. Broxtowe will seek to ensure that the efforts put into pursuing shared service arrangements are proportionate to the outcomes to be expected to be derived. This means that costly, bureaucratic and time consuming officer effort to achieve little quantifiable result will be avoided.

4. Requirements for Broxtowe Borough Council's shared service arrangements

- 4.1. All shared service arrangements in which Broxtowe is involved should meet the following requirements:
- Where required within the Council's constitutional and financial framework, arrangements should be approved by the relevant committee.
 - The arrangement must be in writing.
 - The financial arrangements must be transparently accounted for and subject to audit.
 - There are appropriate leadership arrangements clearly in place.
 - There must be clear governance arrangements setting out responsibilities and accountabilities.
 - There must be clear information governance arrangements in place.
 - The arrangements must be subject to democratic scrutiny on a regular basis.
 - The arrangements should comply with legal and insurance requirements including EU procurement rules.
 - Provision, where appropriate, should be made for termination, business continuity and risk management.
 - Each shared service should identify and mitigate business risks and report any significant risks to the strategic risk management group.
 - The arrangements should be annually reviewed to ensure that the anticipated benefits are still being delivered and the business case for the shared service remains sound.
 - Succession planning/contingency planning should be in place in the event that anything should happen to current leadership arrangements.

5. Governance arrangements

- 5.1. The Chief Executive will chair an internal working group to oversee compliance with this strategy and move the Council's approach to shared services forward. Political accountability will rest with the Policy and Performance Committee Chair, reporting to Committee in accordance with the Committee work programme.
- 5.2. The terms of reference of the internal officer working group will be:
- To keep the shared service strategy up to date.
 - To ensure that the requirements for Broxtowe's shared service arrangements outlined in paragraph 4 above are complied with.
 - To review the business case for new shared service arrangements.
 - To ensure financial savings from shared services are accounted for.
 - To prepare information updates to committees as required.
 - To identify and share good practice between the Council's shared service initiatives.
 - To identify and fulfill training needs.
 - To encourage new shared service arrangements subject to the requirements of this strategy.

5.3. The membership of the shared service internal working group shall be:

Chief Executive (Chair)
 Head of Finance
 Shared CIO
 Legal representative
 Head of Property Services
 Procurement Officer
 Head of Neighbourhoods and Prosperity
 Commercial Manager
 Shared Revenues and Benefits Manager

6. Potential for growth in shared service arrangements and future action

6.1. Using the categorisation framework, a scanning exercise of opportunities for future growth in shared service arrangements is set out below. This will guide efforts to pursue shared services initiatives in the short to medium term.

CATEGORY	DESCRIPTION
A	<p>There is scope to capitalize on the opportunities of hybrid mail.</p> <p>The interim Procurement Officer is systematically investigating opportunities for further procurement savings, which may involve bring together smaller items of expenditure to achieve economies of scale.</p>
B	<p>Officers and councillors within the JPAB and HS2 Delivery Board structures are capitalising on opportunities to bid for funds to implement the Growth Strategy. A successful HIF bid is being worked on. The Borough Council is intending to put in a Garden Communities bid.</p> <p>Opportunities for more joint working on community safety issues are continuously explored.</p> <p>Discussions are being held in Nottinghamshire and Derbyshire regarding the potential for rationalising depot accommodation.</p>
C	<p>The Head of the Waste and Recycling service continually looks for opportunities to collaborate across the County. These discussions progress through the Notts Waste Partnership.</p>
D	<p>The development of neighbourhood plans provides a need to support Parishes in relation to local planning matters. This work is supported by government grant.</p>

CATEGORY	DESCRIPTION
E	There may be synergies with Erewash District Council as far as grounds maintenance services are concerned. We are in dialogue with Erewash about this possibility.
F	The New Ways of Working project will enable a fresh opportunity to look at how we work with DWP, County Council, Police and CAB. This will lead to better service integration and improved quality of service for customers.
G	<p>The authority set up a Teckal Company for leisure (Liberty Leisure Limited).</p> <p>With regard to waste management, trade waste continually needs to be reviewed to ensure it is commercially competitive. There is potential to develop this area of commercial trading (for example provision of street cleaning or grounds maintenance services for private businesses).</p> <p>A new Commercial Strategy was agreed in 2017/18. As part of this, three new employment incubation units were developed. The Eastwood Cemetery Chapel has been let to a private business.</p>
H	The potential to develop a private lettings agency is being explored explored as a project within the Commercial Strategy

APPENDIX 2

National Non Domestic Rates (NNDR)

No.	Policy Requirement	Position	Action since last annual report	Required Improvement identified
1	There are clear governance arrangements between the sharing partners	A Service Level Agreement (SLA) is in place. Quarterly meetings take place at which performance is discussed. Performance for NNDR collection is included in monitoring reports to relevant Broxtowe committee. Write offs outside delegated powers are processed through the relevant Broxtowe committee.	Project Manager produced a report which examined business case for further integration of revs and bens with Erewash BC. This was presented to Policy and Performance Committee. It was decided to achieve savings through opportunistic staffing restructuring instead.	ACTION: employ additional resources to create capacity to ensure the rateable value for every business premise is correct. This has the capacity to increase income through the business rates pool. ACTION: explore becoming a pilot for the 75% business rates retention project in 2019/20. This has the capacity to increase income through retaining funds that would otherwise have to be returned to the government.
2	Agreements are in place for information governance and performance management	Appendix 1 to SLA sets out specific functions to be provided. Appendix 1 section 8 includes some limited monitoring and control requirements.	Checked information sharing arrangements are GDPR compliant.	ACTION: produce annual report on the joint service to committee for scrutiny.

Car Parking Management

No.	Policy Requirement	Position	Actioned since last annual report	Further improvement required
1	The arrangement is set out in writing between the parties and includes provision for exit, termination, and business continuity	<p>Various agreements in place. Cover exit and termination.</p> <p>Our data is processed via the Central Processing Unit (CPU) service – via a county server. We can access it from everywhere.</p>	Additional resources employed (an apprentice) to ensure compliance with the regulatory regime	None required
2	The financial gains are quantifiable and auditable	<p>Broxtowe receives £40,000 income from County and £20,000 from Rushcliffe annually. A significant proportion of staff costs are paid for by partners. Further economies of scale has resulted in more cost savings– e.g. on purchase of tickets – Broxtowe now has sponsorship - now only costs £300 instead of £3,000 a year. We also share maintenance of machines, producing a further benefit.</p> <p>Central processing unit covers numerous authorities so the unit rate for processing is significantly lower now than it has been.</p>		None required

No.	Policy Requirement	Position	Actioned since last annual report	Further improvement required
3	There are clear governance arrangements between the sharing partners	Off street: There is a managerial board which meets three or four times a year. Contains reps from each constituent authority and contractor. Health and safety and performance is discussed. Arrangement with Rushcliffe: lead officer meets once every couple of months with Rushcliffe officer. A more formal meeting occurs two or three times a year - which is finance led. Reports are produced and we feed Rushcliffe with data.	January 2018 annual report COMPLETED	ACTION: produce Annual report Jan 2019.
4	Agreements are in place for information governance and performance management	Our own information governance arrangements cover data and action within our own control. Areas outside our direct control include CPU and employees contracted via NSL. Arrangement with employees contracted via NSL is complex.		ACTION: Check GDPR compliance of the updated arrangements.
5	There is provision for "scrutiny/challenge"	Managerial challenge/scrutiny is in place. Member scrutiny/challenge would be enhanced via the annual report suggested	Annual report to Community safety Committee Jan 2018 COMPLETED	ACTION: produce Annual report Jan 2019

No.	Policy Requirement	Position	Actioned since last annual report	Further improvement required
6	The arrangement is compliant with legal, insurance and procurement requirements	As far as Broxtowe’s own service is concerned we are covered, as are the arrangements as far as Rushcliffe is concerned	Check cover with insurance section COMPLETED-COVERED	None required

Building Control

No.	Policy Requirement	Position	Action since last Annual report	Further Improvement
1	There are clear governance arrangements between the sharing partners	The function is entirely managed through Erewash BC. There is formal regular oversight by the Head of Neighbourhoods and Prosperity in relation to the effectiveness of arrangements.	Annual report was presented Nov 17 to Jobs and Economy Committee	ACTION: Next annual report to go to Nov 18 Jobs and Economy Committee. ACTION: invite Erewash Building control to attend Grenfell action meeting .
2	Agreements are in place for information governance and performance management	There are KPIs and/or MPIs in our Business Growth Business plan relating to building control	Better integration of software between the two authorities is being explored.	ACTION: check data sharing arrangements are compliant with GDPR
3	There is provision for “scrutiny/challenge”	Officer accountability will be managed through the regular discussions between SS and SB at Erewash Member performance scrutiny will take place through our normal business plan reporting	Annual report Nov 17 to Jobs and Economy provided opportunity for scrutiny and challenge	ACTION: annual report to be presented to Jobs and Economy Nov 18.

No.	Policy Requirement	Position	Action since last Annual report	Further Improvement
		arrangements		

CCTV

No.	Policy Requirement	Position	Action since last Annual report	Further improvement
1	The arrangement was approved by Cabinet	Yes - October 2012	Annual report to new Community Safety Committee keeping members updated on location of cameras, performance and financial information presented January 2018. New apprentice employed to increase compliance with regulatory regime.	ACTION: annual report to Community Safety Committee January 2019. ACTION: new updated CCTV policy to be brought before Community Safety Committee.
2	The arrangement is set out in writing between the parties and includes provision for exit, termination, and business continuity	Yes. However an updated version has been prepared and awaits signature.	New agreement awaiting signature by NSDC and ADC as well as ourselves.	ACTION: chase signing of agreement. ACTION: consider succession planning/contingency arrangements for leadership
3	There are clear governance arrangements between the sharing partners	Steering group comprises reps of all authorities involved. Monthly meeting. Discusses performance, faults and contracts, hours of cover, trained staff in place.		ACTION: chase signing of agreement. ACTION: ensure management performance indicators contained in new agreement are included in Community Safety Business Plan.

Policy and Performance Committee

3 October 2018

No.	Policy Requirement	Position	Action since last Annual report	Further improvement
4	Agreements are in place for information governance and performance management	Set out in the CCTV policy. Indemnity provision is within the policy.		ACTION: check data sharing arrangements are compliant with GDPR.
5	There is provision for "scrutiny/challenge"	See management arrangements set out above.	Report was produced for Community safety Committee Jan 2018	ACTION: Annual report January 2019.
6	The arrangement is compliant with legal, insurance and procurement requirements	Broxtowe leads on procurement issues. Insurance cover is up to date.		No further improvement required.

APPENDIX 3

Financial Benefits of Shared services

In each case listed below, Cabinet considered the business case before approving each arrangement. This case included consideration of any associated redundancy costs and pension strain incurred and, in all cases, there was a strong financial case for proceeding with each proposal.

The table below provides a snapshot of the annual benefit the Council receives from continuing with the current arrangements. On-costs are not included in the cost avoided column. Also not included in the chart is the annual revenue received through the Bramcote Bereavement Services Joint Committee.

Service	Income received annually towards staffing costs	Cost avoided () or additional cost generated annually	Typical annual additional and future planned annual financial benefits
Property management	£40,000		The income from Ashfield was increased by £5,000 in 2017/18 compared with the previous year. It is updated annually by an annual inflation linked amount.
Car Parking Management	£40,000 (NCC) £20,000 (RBC)	£20,000 Additional Car Parking Assistant	£2,700 ticket printing
Building Control		£113,400 (baseline fig as at 2016/17 recurring) - since 2016/17 All staff employed by Erewash BC, who also keep fee income	
ICT		(£29,285) Three authorities contribute to cost of CIO post. This saving represents the difference of what we currently pay with the cost of previously employing the officer.	

Service	Income received annually towards staffing costs	Cost avoided () or additional cost generated annually	Typical annual additional and future planned annual financial benefits
Revenues and Benefits		<p>(£104,273)</p> <p>This figure is the difference between the cost of previously employing four posts, which were all deleted, and what we currently contribute in an annual fee for the service. The figure has increased by £9,800 p.a. due to the voluntary redundancy of an individual within the team in 2017/18 who will not be replaced.</p>	<p>Initial plans show it may be possible to achieve savings of over £100,000 a year should the integration proposals be fully implemented. These would be phased in over five years.</p>
CCTV		<p>£45,100. This was the annual saving identified in the 2012 report from sharing a manager's post, reduction in maintenance and other costs associated with consolidation of CCTV equipment on a single site.</p> <p>Following the move of the CCTV control room from N7SDC to Sherwood Lodge in 2017/18 there are now annual savings of £7,000 in monitoring costs and £6,000 in licence costs. In addition it has been identified that £32,000 of CCTV costs should be recharged to Parks, Housing and the out of hours service.</p>	<p>Some of the savings have been re-invested in employing an apprentice to support the service to ensure the service has a fit for purpose policy and appropriate monitoring arrangements.</p>
NNDR		<p>(£2,000) This is the difference between the cost of employing one officer back in 2006 (£25,000) when the arrangement started and</p>	

Service	Income received annually towards staffing costs	Cost avoided () or additional cost generated annually	Typical annual additional and future planned annual financial benefits
		the fee paid by Broxtowe to Ashfield for the service (£21,107).	
Totals	£100,000	£314,058	£209,281
Grand Total	£623,339		