

Scrutiny Committee – 30 October 2012

8. Shared Working – Update Report

Lead Officer: Mark Williams, Chief Executive
Contact Details: mark.williams@southsomerset.gov.uk or 01935 462101

Purpose of Report

This report responds to a request from the Scrutiny committee for an update on shared working. It covers all aspects of shared services from those that are well established to those currently in the pipeline and negotiation.

Background

Scrutiny Committee's request included on-going arrangements with East Devon District Council but also projects with other local authorities and agencies. The report below covers the long term arrangements that South Somerset has entered into as well as new work and opportunities currently being explored.

Local Government Association Findings Nationally

The Local Government Association has published a recent document outlining its analysis of the financial and non-financial benefits of local authority shared services 'Services shared: costs spared?'

http://www.local.gov.uk/c/document_library/get_file?uuid=105edabf-9072-49f5-94d9-f6065cf69842&groupId=10171

The key findings of their analysis are:

1. Clear financial benefits can be made from sharing services. Savings are achieved through consolidating organisation structures, integrating information technology, reducing accommodation, and improving procurement.
2. Early savings are made by reducing staff – removing duplication and management posts
3. These initial benefits are typically delivered rapidly with strong top-down leadership
4. As shared services mature and evolve they are able to benefit from a wider business transformation – such as better use of I.T. and assets, improved processes and cultural change programmes
5. The set up and integration costs for merging services are modest with less than a two year payback period for all the shared service arrangements
6. Baseline financial and performance information is essential to make the case for change and track the benefits of shared service arrangements in terms of efficiencies and service improvements. This was a difficulty with all the five shared service arrangements researched and made it hard to make performance comparisons.

7. Despite this, it appears that the shared service arrangements have succeeded in providing the same or better levels of performance at less cost
8. Good performance against organisations' key performance indicators are complemented by good staff indicators – such as high staff morale, low staff sickness and low turnover rates.
9. Rapid implementation of shared service arrangements helps builds a momentum for change.
10. Expanding established shared services to provide services for other public sector partners in a locality is a useful way to generate income and ensure efficiencies through greater economies of scale.

The report only reviewed five successful partnerships including a Fire and Rescue Authority, County, and NHS Trust. It uses the Vale of White Horse and South Oxfordshire as its example of joint working for district authorities. The partnership has currently saved £4.95 million per annum with set up costs of £1.9 million. The authorities are about to share grounds maintenance and a GIS (Geographic Information System) database.

Established Partnerships / Service Sharing

SSDC has been successful in several long-term partnerships for joint services. These include:

Somerset Waste Partnership

- a partnership with the other Somerset Authorities to provide waste and recycling – savings of £250,470 per annum;

South West Audit Partnership

- one of twelve partners providing a shared Audit Service SSDC is paying £39,610 less for the service than it did in 2005/06;

Homefinder Somerset Partnership

- an ICT partnership with the other Somerset authorities and RSLs (Registered Social Landlords) to provide a county wide housing register;

East Devon District Council

- sharing a Chief Executive – annual savings of £96,140.

Together these partnerships account for £4.1 million of SSDC's annual gross spend. In addition SSDC has actively been sharing accommodation with Avon and Somerset Police, Somerset County Council, HMRC resulting in rental income of £34,350 per annum plus contributions towards running costs.

Recent Shared Services and Partnership Work

East Devon District Council

- Sharing a Civil Contingencies Officer – income of £10,000 per annum;
- Transfer of Goldenstones to LED – savings of £210,150 per annum
- Sharing an Insurance Officer – income of £12,500 per annum;

Yeovil Hospital

- Occupation Health provision now shared with Yeovil Hospital saving £1,000 on the previous contract
- Sharing a Workplace Nursery – this will save £69,100 per annum

Mendip District Council

- Joint Empty Homes Strategy;
- A successful shared bid of £660,000 for Mendip Care and Repair to bring more empty properties back into use;
- Shared effort in developing a range of new policies including those for Hackney Carriage and Taxi policies;
- Shared expertise in developing a range of new procedures including for risk rating of premises.

Partnership and Service Sharing in Pipeline

Yeovil Hospital

- Discussions around car parking that will benefit both organisations

Yeovil College

- Possible joint procurement of cleaning contract

East Devon District Council

- Joint procurement of insurance policies and broker services

Summary

The financial savings made so far in joining up services are:

	Annual Savings £	Set –Up Costs £
Established partnerships	386,220	Difficult to assess as the waste partnership happened at a time of change in service specification. However most staff transferred under TUPE arrangements
Shared accommodation	34,350	-
Recent partnership work	302,750	95,000
Total Savings	723,320	

As well as financial savings, regard should also be had to the non-financial benefits of the Council being open to and pragmatic about taking advantage of sharing opportunities. In the case of East Devon it is noticeable that there is greater confidence in both organisations in sharing best practice and learning from another good council. In addition, when considering our relationship with the County Council and the LEP, the Chief Executive is able to draw on his knowledge of what is happening in Devon to compare and contrast good practice on an informed basis. In terms of the regular meetings with the Hospital and the College, our relationships and knowledge of each other's business issues and expertise are better than they've ever been and this helps promote a positive approach to sharing on a joint geographic basis.

Partnership and service sharing is the subject of ongoing and regular review. As our financial pressures increase the necessity for sharing is likely to intensify across a wide partnership base which includes local public service providers as well as other local

authorities. We continue to look for opportunities that save money, or provide solutions without having major set up costs.
