



Report of : Director of Resources

Meeting: Scrutiny Board – Central and Corporate Functions

Date of meeting: October 4th 2010

SUBJECT: Shared Services in West Yorkshire

This Report is for;			
Discussion Only <input checked="" type="checkbox"/>	Information Only <input type="checkbox"/>	Advice/consideration prior to taking a decision or reporting to a Committee <input type="checkbox"/>	
Decision to be taken by:			
Full Council <input type="checkbox"/>		Corporate Governance and Audit Committee <input checked="" type="checkbox"/>	
Executive Board <input type="checkbox"/>		Standards Committee <input type="checkbox"/>	
An Area Committee <input type="checkbox"/>		Member Management Committee <input type="checkbox"/>	
A Regulatory Committee <input type="checkbox"/>		A Director using delegated authority <input type="checkbox"/>	

Executive Summary

The West Yorkshire Authorities have been exploring a number of shared services options in light of the current financial challenges facing all local authorities.

£395,000 of RIEP funding has been secured to fund programme management support and to resource a number of high level business cases which will assess the viability of further collaboration on services including Highways, Legal Services, Regulatory Services and Revenues and Benefits.

The completed business cases will be considered by the West Yorkshire Chief Executives and Leaders at a dedicated shared services session on October 15th.

Leeds City Council is also involved with a number of other collaborative projects including joint work with Calderdale on National Non-Domestic Rates, a regional PSN project and a sub-regional HR project.

As projects are only at the feasibility stage, the scrutiny board is asked to comment on the direction and scope of the programme so far and raise any issues of concern.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to update the Central and Corporate Functions Scrutiny Board on the involvement of Leeds City Council in the shared services initiatives which are currently being explored and developed across the sub-region.

2.0 Background Information

- 2.1 Over the past six months there has been a strong drive from West Yorkshire Leaders and Chief Executives to move the shared services agenda forward for both frontline and support services in the sub-region.
- 2.2 Responsibility for overseeing the shared services agenda lies with the West Yorkshire Collaborative Working Group (CWG) This group, which is made up of the Councils' Corporate Directors, supports the direction set by Chief Executives and Leaders.
- 2.3 The rationale for the development of shared services across West Yorkshire has been agreed as:
- cost reduction
 - maximising return on investment
 - eliminating duplication
 - sharing expertise
 - improving flexibility
- 2.4 Given the expected reductions in local government funding through the Comprehensive Spending Review, there is a need to consider innovative service delivery models, which will generate cost efficiencies.

3.0 Progress to Date

- 3.1 To date the CWG has secured £395,000 of RIEP Funding to support the West Yorkshire Shared Services Programme. £175,000 of this funding has been used to procure essential programme management support from the Council's Public Private Partnerships Unit.

The remaining £220,000 from the Regional Efficiency and Transformation Fund is currently being utilized to develop business cases which will assess the possible ways in which the West Yorkshire Councils can more effectively collaborate in the delivery of:

- Highway Services
 - Legal Services
 - Regulatory Services (Environmental Services, Licensing, Building and Planning Control, Trading Standards)
 - Revenues and Benefits (Bradford, Kirklees and Wakefield only)
- 3.2 These high level business cases will be completed by the middle of October allowing the West Yorkshire Leaders and Chief Executives to then determine the best way forward for the individual projects.
- 3.3 Below is a summary of the probable content of each business case:

○ Highways

West Yorkshire Chief Highways Officers have identified the following five areas for potential consideration: Urban Traffic Management Control, Parking Management, Winter Operations, Highways Maintenance, Highways Public Liability

Highways procurement is also being reviewed by the Regional Procurement Project.

There may be significant opportunities for cost savings and efficiencies from collaborative and joint working on highways and more detailed work is being undertaken to establish a business case.

- Legal Services

West Yorkshire Legal Services Officers are considering ways in which the provision of some legal functions may be undertaken on a collaborative basis across West Yorkshire.

The focus of this work is to avoid duplication of expertise across the sub-region and to reduce the reliance on external legal advice.

- Regulatory Services

This work is looking at the potential for the existing Joint Services Authority to take on additional functions currently provided by each authority individually.

A detailed feasibility study will identify the present structures, detailed costs, potential savings and the effect upon service delivery of a range of regulatory activities including Licensing, Building Control and Planning Enforcement, and Environmental Health.

An independent facilitator has been commissioned to pull together this work in consultation with the relevant Council officers.

- Public Sector Network

£210,000 of the Regional Efficiency and Transformation Fund has been secured to support the development of a Regional Public Sector Network and to fund the rationalisation of the West Yorkshire data centres.

The Public Sector Network (PSN) is a national programme to drive efficiency savings of £0.5 billion. An integral part of this programme is 'G Cloud' which is a shared services offering that allows the re-use of numerous business applications and services accessed via the PSN connection. Running applications from the 'G Cloud' will reduce the need for local support, infrastructure, data centres and so forth thus reducing the overall costs of ICT as these services will be provided from centralised locations.

Leeds City Council is leading on a project to develop a joint network for Yorkshire and Humber which will allow all public sector partners to share systems, data and services anywhere in the sub-region. As well as delivering efficiency savings this project has the power to drive forward the shared services agenda. It represents a fundamental shift in the use of technology and will prompt local authorities to move towards common processes due to the reduced cost of its services.

The CWG is continuously exploring other areas for collaboration in addition to the projects which are being furthered through the Efficiency and Transformation Funding. These projects include:

- National Non-Domestic Rates

An analysis of the current volumes of business rate transactions carried out by both Leeds and Calderdale has been undertaken and on this basis a potential initial net saving of three FTE staff has been identified from an existing combined establishment of twenty four. This will amount to initial cashable efficiency savings in the region of £60,000, and will be a building block for the future integration of transactional services.

The majority of Calderdale MBC business rate processing work and customer contact will be transferred to Leeds City Council as was reported to Executive Board on 25th August.

- Human Resources

HR officers met over August to identify areas for collaboration. It was agreed that there is potential scope for joint work on procurement, CRB/ employment checks and pensions.

It is also felt that there is value in looking at transactional services in HR, including payroll.

4.0 Implications For Council Policy And Governance

4.1 At this stage in the programme there are not yet any specific implications for Leeds City Council as projects have not progressed beyond the feasibility stage.

4.2 If services did come to be delivered across local authority boundaries then there would be inevitable implications for each Council involved. However, the West Yorkshire Authorities do not have any formal decision making powers and so any changes to service delivery would need to go through the formal procedures which apply to Leeds City Council.

5.0 Legal And Resource Implications

5.1 The current shared services projects are resourced entirely through external funding. If projects are progressed beyond the feasibility stage then they will require additional financial resources.

6.0 Further Collaboration within the Leeds District

6.1 Discussions are taking place between different public sector organisations within Leeds to identify any further opportunities. These include:

- a) The Resources Partnership Group: this consists of the Council, the PCT, Police, Fire, the two Universities, Leeds College and the third sector.
- b) Estates Officers from the health sector, and the Council, who are currently mapping public sector assets across the city.

6.2 In addition the Leeds City Region is pathfinder for the government's Total Capital and Assets project which is looking at ways in which public sector assets can be used more efficiently.

7.0 Recommendations

7.1 The Scrutiny Board is asked to:

- Note the contents of this report.