

AGENDA ITEM

REPORT TO CABINET

14 JULY 2022

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET INFORMATION ITEM

Lead Cabinet Member - Leader of the Council – Councillor Bob Cook

XENTRALL ANNUAL REPORT 2021/22

SUMMARY

This annual report allows Cabinet Members to review the progress and performance of Xentrall Shared Services, the Stockton and Darlington partnership.

This annual report will demonstrate how Xentrall has delivered savings across the board whilst continuing to improve performance and customer satisfaction.

In the second year of the global pandemic, Xentrall continued to be a critical element in the support of both Councils.

REASONS FOR PRODUCING THIS REPORT

To allow Members to receive information about the progress of the partnership and acknowledge the continuing success of Xentrall and the savings it has achieved over the fourteen years since it was formed.

DETAIL

1. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and is now in its fifteenth year. The Xentrall services are:
 - ICT (strategy and operations)
 - Transactional HR (payroll, pensions, recruitment, sickness absence)
 - Transactional Finance (creditors, debtors, banking, schools finance)
 - Design & Print (professional buyer, in-house design and print)
2. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership arrangement has delivered all these plus additional efficiencies and benefits and significant additional savings as reported to Members over previous years. At the same time the quality and performance of services have not been compromised but improved, with both customer and staff satisfaction increasing over the life of the partnership.
3. This is a significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both Councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.

VALUE FOR MONEY AND PERFORMANCE

4. Since the formation of the partnership in 2008, the financial situation in both Councils has changed significantly as a result of reductions in local government funding and Xentrall has continued to support both Councils in achieving a balanced Medium-Term Financial Plan. This has mainly been achieved through staff savings resulting from more efficient ways of working across the four service areas, as well as cost reductions arising from partnership joint procurement.
5. In addition to cost reductions, all services undertake benchmarking exercises to ensure that quality is not compromised and to confirm that a balanced approach is used to measure improvements and success. Under normal circumstances, ICT, HR and Finance would regularly participate in national benchmarking exercises with other participating organisations which confirm our services are performing well in comparison to others. Similarly, Design & Print would undertake price comparisons with local and regional suppliers to confirm value for money of both services delivered in-house and those bought in. Pressures of the pandemic meant that these benchmarking activities were paused, but national programmes permitting, we anticipate reassessing our benchmarking activities during 2022/23 and 2023/24.
6. Xentrall is also subject to various internal and external audit regimes which also confirm the good performance and governance of its services. Fifty-nine Xentrall control checks undertaken by the Council's Internal Audit team in April 2022 have achieved a green assessment, with just three other checks categorised as low-amber. This performance is consistent with the full assurance results achieved by Xentrall under the previous approach to audits. Together with a number of successful external audits and certifications, this confirms the health, robustness and good management of the services across the partnership.

CUSTOMER SATISFACTION

7. As part of Xentrall's balanced scorecard approach to performance management, partnership-wide customer satisfaction surveys are undertaken every two years, and these involve canvassing service users and managers across both Councils. In addition, each of the Xentrall services seeks feedback and satisfaction levels as part of their daily service operations e.g. on an ICT call closure, HR recruitment or the take-on of a new academy's payroll. The main two-year survey was completed in June 2020 and both this and the daily low-level surveys confirm high levels of satisfaction, with the main survey showing our highest average customer satisfaction across Xentrall of 4.5 out of 5 (equivalent of 90% satisfaction).

2021/22 OPPORTUNITIES TAKEN & EXTERNAL BUSINESS RETAINED

8. Xentrall continues to explore new opportunities for external business as and when these arise, which is in-line with the partnership's objective of tactically growing the business. Like the one preceding it, 2021/22 has been an unusual year, yet Xentrall HR have taken on nineteen new schools and two new academy trusts and also during the year ICT have assisted the Combined Authority with their office relocation. In addition, our existing external customers have been retained and have signed up to new service level agreements for the current year. These include:
 - a) All Xentrall services to the Tees Valley Combined Authority
 - b) Finance and HR services to the South Tees Development Corporation
 - c) ICT services and finance system to Tees Active Leisure Ltd
 - d) ICT services to the North East Purchasing Authority (NEPO)
 - e) ICT hosting services to Northumberland County Council
 - f) ICT services to Theatre Hullabaloo in Darlington

- g) Payroll services for now 159 academy payroll groups and Finance services to fourteen academies/trusts
- h) Payroll to Richmond Citizen Advice Bureau
- i) Payroll to twelve Middlesbrough and six Redcar & Cleveland schools
- j) Payroll and Employer Support to Direct Payment Clients at Stockton
- k) Bursary service to Stockton schools

9. Xentrall generated external annual income of over £1m continues to form a significant part of the overall Xentrall financial model and thereby reduce the Xentrall funding required by both Authorities.

2021/22 STOCKTON & DARLINGTON ACHIEVEMENTS

10. 2021/22 was the second year of the pandemic, the end of which started to approach what would be considered normality. As well as providing essential services to our external customers and generating income, Xentrall continue to be a critical element in the continued effective functioning of both Councils. A snapshot of some of the Xentrall activities and achievements is shown below.

Xentrall HR

- Maintained service delivery to over 150 individual payrolls encompassing 18,700 staff.
- Supported both Councils in changes to reporting to allow the monitoring Covid-related absences.
- Processed the annual pay award at short notice in March ensuring that this back-pay was not affected by the April NI changes.
- Year-end processing completed successfully within the required deadlines.
- Produced a number of major reports required for; School Workforce Census, Social Work England and Gender Pay Gap.
- Commenced a number of new projects including payments via the MyHR app, changes to teacher's pensions reporting, assessment and reporting to pension providers for the McCloud pension judgement.

Xentrall Design & Print

- Continued to provide Covid-19 related safety notices, information packs and signage as well as the supply and fit of hundreds of safety screens, many of which were bespoke. Also, the vaccination centre branding of a full shop front in Stockton and graphics for a community vaccination bus in Darlington.
- Continued to provide key support for both Council's Communications, Events, Town Centres, Libraries, Revenues & Benefits teams and Stockton's Learning & Skills, alongside Darlington's Hippodrome and Dolphin Centre.
- The supply and production of billboards, posters, brochures, crowd barrier and fence covers, timetables and notice boards, venue dressings, bunting, banners and plates & cups for the large-scale events such as the Stockton Sparkles and Darlington Light Switch On, the Jubilee Celebrations, Stockton's SIRF and Darlington's 10K. But not forgetting the equally important literature, signage or staging for smaller events such as Stockton's Customer Service Awards, Darlington's Stronger Community Awards and each Council's Mayor's Ball.
- The print of Stockton-on-Tees News and the design & print of One Darlington Partnership Magazine, along with other key community engagement newsletters such as Adult Carers at Stockton and Housing Connect at Darlington.
- Been integral in the development and integration of the new Darlington brand.
- Assisted the Councils meet new accessibility legislation by providing a compliant pdf-form design service, including the conversion of the Stockton-on-Tees News magazine.

Xentrall Finance

- Implemented new cheque software for Stockton and Darlington incorporating enhanced security features.

- Implemented AUDDIS (Automated Direct Debit Instructions) for Darlington Debtors saving staff time and postage and reducing collection delays.
- Continued to support both Councils in processing Test and Trace Support payments and additional Covid/Omicron related grants.
- Worked closely with Stockton Adults and Health Service to test and implement the payments and billing imports relating to the Controcc Adults project.
- Assessed options available to Stockton Council for the recording and payment of business mileage, agreeing a cost package with MileIQ for its continued use.
- Worked with both Councils procurement teams to move the stationery contract from Banner to Lyreco Webshop with the inherent system changes that move required.
- Achieved year-end processing, system changes and reconciliations on Business World On (aka Agresso) to deadlines set by Stockton and Darlington.

Xentrall Schools Finance

- Continued to provide what is a well-regarded bursary service to our maintained Stockton schools assisting school Head Teachers with on-site and on-line support and guidance with budget setting, budgetary control and budget closure at year-end.

Xentrall ICT

- Successful recertification to the government's secure Public Service Network (PSN) which allows secure transfer of data between Council and government systems.
- Successful annual review of ICT's ISO27001 (Information Security Management) and ISO9001 (Quality Management) certifications, both of which, combined with the PSN certification feed into other corporate and external audits e.g. NHS.
- Supported a "return to the office" and flexible working across Stockton sites and assisted with preparations for blended working at Darlington.
- Implemented an improved mobile device management system.
- Migrated both Councils "My Documents" to OneDrive and now implementing Teams to replace file servers as part of our ongoing 365 programmes in both Councils.
- Implemented a new backup for the server estate which has improved performance, we also implemented new blade servers which support the virtual server estate and we increased capacity of the disaster recovery servers based in Stockton.
- Procured a new ICT network contract which delivered savings.
- Implemented a new desktop remote quarantine system allowing potentially infected devices to be diagnosed remotely.
- Implemented improved internet management systems and user authentication systems to maintain high levels of security and protection across the ICT estate.
- Implemented general software upgrades across the server estate to improve performance and/or aids to server management.

11. All Xentrall services support transformational and service-based projects in both Councils through using technology and systems to improve all aspects of service delivery and the delivery of efficiencies. ICT alone have completed forty-four service-based projects across Darlington and Stockton during 2021/22. These have been wide and varied and have included a large number of upgrades and enhancements to systems and the implementation of new systems such as the Employee Flu Vaccination system in Darlington and the Concord system for Stockton's Adult Social Care STEPS team.

LOOKING FORWARD TO 2022/23 ONWARDS

12. As can be seen above, despite the pandemic, Xentrall continued to function successfully and perform well throughout the year. In terms of the pandemic, 2022/23 looks "more normal", but we now have war in Ukraine, global shortages and increased costs of some products and rising inflation to contend with. Whatever the next year or two brings, Xentrall services will continue to strive to deliver quality and timely services to both Councils and our external customers and

support them as they navigate and respond to these and other emerging challenges that come with public service delivery. Xentrall activities will include:

- a) Xentrall overall will continue to assist with both Council's approaches to flexible working and exploit the technologies we have to support this.
- b) HR will continue to develop and exploit the ResourceLink and MyHR HR/Payroll systems for the benefit of both Councils and our academy customers, and the HR team will also continue to assess and take on new academy business as and when opportunities arise.
- c) Finance will be undertaking contract renewals and implementing system upgrades, as well as continuing to support and develop our use of the main financial system Business World On.
- d) ICT will continue to support and develop the remote, agile and office-based workforce technologies as well as the all-important associated security protections which keep our systems, data and users safe in the ever-changing and complex world of cyber security. In addition, in conjunction with both Councils, ICT will further develop and roll-out new features within the Microsoft 365 suite of products which help support an agile and often dispersed workforce, allowing them to collaborate and work effectively as virtual and mixed teams.
- e) Design & Print will continue to support the expected rapid resurgence of events and activities across both Councils throughout the year, which include the Queen's Platinum Jubilee.

13. As with previous years, the continual service improvement mentality within Xentrall will be applied to leverage any further service improvements and/or savings for both Councils. Xentrall will also continue to assess new partnering and business opportunities as and when these arise, which fits in with its business plan of tactically growing the business and in turn help to support both Council's Medium-Term Financial Plans.

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