

Overview Report

People Select Committee

Overview Meeting 2020

2 March 2020

Xentrall Shared Services

Context

Members are well aware that as a Council we have had to adapt to funding reductions of £68 million over the last seven years and future funding is uncertain.

The challenge for all Members is to ensure that decisions about the basis on which services will be delivered are within the resources available, taking account of a number of factors such as the uncertain financial position, changing demographics, increasing demand, new national legislation and policy direction. Members are reminded of the four policy principles that support our decision-making:

- **Protect the vulnerable by**
 - protecting people who are subject to or at risk of harm
 - helping people who are homeless or at risk of becoming homeless
 - supporting people who are financially excluded
 - assisting people whose circumstances make them vulnerable

- **Create economic prosperity by**
 - ensuring the businesses and people of Stockton-on-Tees are part of a thriving and productive Tees Valley economy

- **Tackle inequality through improving**
 - health
 - job opportunities, skills and training
 - educational attainment for all
 - affordable housing and fuel poverty
 - financial inclusion

- **Help people to be healthier by**
 - providing mainstream services that are available where needed
 - providing preventative services that are available where needed

It is within this context that the Select Committee is invited to undertake their overview duties.

Performance Reporting

Performance across the Council Plan was reported on a six-monthly basis. This was reported to Executive Scrutiny Committee in July and November 2019, and then forwarded to members of each Select Committee with key issues highlighted by the Chair at their next meeting.

Overview Report

Xentrall Shared Services – Assistant Director – Ian Miles

Relevant services include:

- ICT and Design and Print Services
- Xentrall Finance and HR

Council Plan 2019-2022

The Council Plan sets out the aims and objectives for all services and is refreshed on an annual basis.

The 2019-22 objectives for the Our Council theme are attached at Appendix 1.

Each year Cabinet receive an annual report on Xentrall Shared Services and the 2018/19 annual report presented to Cabinet in Julie 2019 can be seen at **Appendix 2**.

Emerging Issues

Service delivery is influenced by a range of internal and external factors that develop over time. Current and emerging challenges and opportunities across Xentrall Shared Services are summarised as follows:

- To assist with balancing the Council's MTFP, Xentrall continues to deliver additional budget savings. The partnership's success in terms of already ensuring its services are efficient means that additional reductions become even more difficult to achieve. In some cases, further planned savings are reliant on other Council services redesigning and improving their processes, so Xentrall can reconfigure its own services in-line with the Council's needs.
- These reductions in capacity also mean that any new external opportunities can be more challenging to investigate and develop, as teams manage the day job alongside these new projects. Similarly, not adversely impacting existing external income raising services needs to be managed.
- Supporting Academies is a significant part of Xentrall HR and Finance activities and this generates associated income. When Academies transfer into Multi-Academy Trusts (MATs), sometimes these MATs have their own in-house HR and Financial services and consequently they migrate away from Xentrall's services. To date, this reduction has been countered by additional Academies coming on-board with Xentrall, but longer-term, there may be a down-turn in Academy business depending upon how the MAT landscape develops.
- The Council is heavily reliant on its ICT systems and data. Although technically designed to be resilient and secure, there are on-going and increased external threats, often targeted at end-users in the form of spam emails. Targeting end-users in this way can be an easier way to break into an organisation's systems, rather than trying to hack into firewalls and networks. An on-going user awareness programme is ensuring that such vulnerabilities and associated risks are understood by the ICT user community across the Council.

Overview Report

Potential Areas for In-Depth Review

Members are reminded that topics are being sought for the Scrutiny Work Programme 2020-21. Using the information provided as part of the performance updates and this Overview meeting, the Committee is invited to identify potential topics for review within this theme.

Potential topics will be considered at Executive Scrutiny Committee on 24 March.

There are no areas in line with Council policy priorities that are proposed for in depth reviews.

Overview Report

Appendix 1

Council Plan 2019-22 – Our Council

Our vision is of a Council that prides itself on being open, honest and fair. On leading by example. On having big plans and the determination to see them through. We're facing difficult financial challenges and we can't do all we used to do so we're facing some tough decisions. Throughout this we'll stay focused on delivering genuine value for money, on setting the highest standards of public service, on communicating clearly and regularly with the community we serve and on being challenging, innovative and well organized.

Key relevant objectives:

- Continue to improve the efficiency and effectiveness of our services

Appendix 2

AGENDA ITEM

REPORT TO CABINET

18 JULY 2019

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET INFORMATION ITEM

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

XENTRALL ANNUAL REPORT 2018/19

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.

Key in year achievements include; The implementation phase of a new HR system which delivers efficiencies through mobility, the facility for recurring credit/debit card billing in Finance which makes the council easier to do business with, many successfully implemented high-profile campaigns from Design and Print and the improvement ICT systems to defend against the increasing threat from cyber-attacks.

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 £14.6m savings it has achieved over the eleven 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 twelfth year. The Xentrall services are:
 - ICT (strategy and operations)
 - Transactional HR (payroll, 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 has delivered all these plus additional efficiencies and benefits and has now achieved £14.6m of savings. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the life of the partnership.

3. This significant achievement for what is a public/public partnership compares very well to other private sector partnerships many of which have failed over the same period. A report published in May by the Association for Public Service Excellence (APSE) reflects this in-house approach as their survey found that over 77% of respondent councils, had or were considering insourcing a service with over 61% of these doing so to improve efficiency. The foresight by both Councils at that time in setting up Xentrall was ambitious, but both have since enjoyed the financial and service rewards of a successful on-going partnership.
4. In recognition the on-going success of this public/public partnership, Members will recall that in 2015 they agreed to amend the original ten-year period into an on-going rolling agreement, which continues to this day.

VALUE FOR MONEY AND PERFORMANCE

5. Over the ten years 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, with Xentrall staffing reducing by approximately 40% over the same period.
6. 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. ICT, HR and Finance participate in national benchmarking exercises with other participating organisations which confirm our services are performing well in comparison to others. Similarly, Design & Print undertakes price comparisons with local and regional suppliers to confirm value for money of both services delivered in-house and those bought in.
7. Xentrall is also subject to various internal and external audit regimes which also confirm the good performance and governance of its services. All eighteen Xentrall-specific internal audits undertaken during 2018/19 have achieved full assurance.

CUSTOMER SATISFACTION

8. 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 or the take-on of a new academy's payroll. All surveys are confirming high levels of satisfaction with an on-going upward trend. The table below shows the summary results of the most recent surveys.

	Xentrall Customer Satisfaction (score out of 5)	
	Darlington	Stockton
2016/17	4.3 ↑	4.3 ↑
2014/15	3.9 ↑	4.1 ↑
2012/13	3.7 ↑	4.0 ↑

9. The customer satisfaction survey planned for 2018/19 has been rescheduled to 2019/20 to take into account work Xentrall are currently undertaking with CIPFA (The Chartered Institute of Public Finance & Accountancy) in reviewing their national ICT benchmarking process in which Xentrall participates. This specifically in relation to customer satisfaction and assessing ICT user's competency and confidence in using ICT equipment and systems. A result of this work will be a more relevant set of questions and appropriate measures for today's ICT user.

2018/19 OPPORTUNITIES TAKEN & EXTERNAL BUSINESS RETAINED

10. Xentrall has continued to explore new opportunities for external business in-line with the partnership's objective of tactically growing the business. This has resulted in the following successes:
- All four Xentrall services were key in the successful launch of Adoption Tees Valley early on in the year and are now continuing to support this Tees-wide service.
 - Xentrall HR were successful in winning and subsequently delivering the payroll service for twelve new academies or our existing school conversions during 2018/19. This helps counter academies which have joined Multi Academy Trusts which have their own in-house services and have therefore withdrawn from the Xentrall service.
 - Xentrall Finance are also delivering finance services to new academies.
11. As well as the above new activities, existing external customers have been retained and have signed up to new service level agreements for the current year. This is a significant achievement and a reflection of the value of Xentrall services. These include:
- All Xentrall services to the Tees Valley Combined Authority.
 - Finance and HR services to the South Tees Development Corporation.
 - ICT services to Tees Active Leisure Ltd.
 - ICT services to Tees Valley Connexions, now in its final year.
 - ICT services to the North East Purchasing Authority (NEPO).
 - ICT hosting services to Northumberland County Council.
 - ICT services to Theatre Hullabaloo in Darlington.
 - Payroll and/or finance services to 84 academy customers overall.
12. Xentrall generated external annual income of around £1¼m continues to form a significant part of the overall Xentrall financial model.

2018/19 STOCKTON & DARLINGTON ACHIEVEMENTS

13. As well as providing services to external customers and generating income, Xentrall have continued to be busy delivering projects across Stockton and Darlington Councils.
- a) HR delivering the first important phase of the new payroll/HR system ResourceLink, ensuring that all employees were paid successfully at go-live in April and they had access to on-line payslips and personal information through the My HR app.
 - b) At the same time, HR also implemented the new national pay spine for all three Authorities as part of the go-live process and ensuring that this was a smooth, seamless transition.
 - c) HR supporting major recruitment campaigns during the year for senior positions.
 - d) Finance have completed an upgrade to Stockton's Cash Receipting system.
 - e) Finance implemented recurring payments enabling Stockton Collections to automatically take payment from customer credit or debit cards against a scheduled plan.
 - f) Design & Print continuing to support numerous high-profile projects and events across both Councils including; Stockton Borough building project billboards, Stockton & Darlington town centre window graphics, Darlington & Stockton hoardings (Feethams, Allington Way, IB Leisure Centre, Cycling Hub) as well as delivering other design and production projects during the year which include the annual events of Stockton's; SIRF, Cycling Festival, Stages, Supercar Saturday, Sunflowers and Darlington's; Festival of Ingenuity, Bookfest, Business Week and Darlington 10K.
 - g) Design & Print's general projects are wide and varied and includes the likes of: Darlington Hippodrome Theatre guides, supporting Stockton's Setting the Standard event and supporting Stockton hotel staff recruitment.

- h) Design & Print also manage the print production of Stockton News and One Darlington household magazines.
 - i) ICT maintaining and successfully retaining ISO, PSN and PCI certifications for both Councils, ensuring that the Council's ICT systems and data remain secure, as well as implementing secure links to the latest HSCN (the NHS Health Network).
 - j) ICT improving governance and security measures and awareness across both Councils, including the implementation of new Denial of Service Attack defences to help protect the Council's websites and Internet connection. In addition, ICT ran an in-house phishing test to gauge user awareness to external risks.
 - k) ICT deploying a new simple "log on anywhere" means of remote connection for all laptops and tablets, enabling access to all Council systems in a secure and efficient manner.
 - l) ICT continuing to advise both Councils on the recommended approach for future desktop application provision using Microsoft 365 and delivering the architecture programme that accompanies this. As part of this programme ICT successfully migrated both Council's email systems to the 365 cloud.
 - m) ICT developing a desktop refresh strategy and programme for both Councils.
 - n) ICT have been designing and procuring two major technologies in relation to networking and telephony. Both improve performance and resilience and will be implemented during the year.
 - o) ICT mobilising Children and Adults Care teams in both Councils through the deployment of new equipment and services.
14. As with the specific social care project mentioned above, all Xentrall services support the transformation and service-based projects in both Councils and help with smarter working through technology to improve all aspects of service delivery and the delivery of efficiencies. ICT alone have completed 60 service-based projects across Darlington and Stockton.
15. Xentrall has also made a submission in this year's APSE Service Awards in the category of Best Collaborative Working Initiative (with other public or third sector) and titled "Celebrating the Success of Xentrall Shared Services". We are awaiting the outcome of this submission.

LOOKING FORWARD TO 2019/20 ONWARDS

16. The current year will continue to be a busy one for all four of the Xentrall services. The "day job" involves delivering ICT systems to and supporting 4,500 ICT users, managing a payroll of 15,000, processing thousands of invoices and managing a very busy design and print studio. On top of this, amongst the many projects to be undertaken, significant ones will include:
- a) ICT and Design & Print have already successfully supported both the local and European elections held in May
 - b) HR are providing dedicated support to Stockton's 2019 Apprenticeship Programme.
 - c) HR will continue with the implementation of the ResourceLink payroll/HR system to our Academy customers as well as delivering new HR modules to the Councils.
 - d) HR are reviewing the recruitment processes with both Advisory HRs and service managers to ensure it is effective in attracting job candidates.
 - e) HR and Finance will continue to support Academies and attract new customers.
 - f) Finance will deliver the Government's Making Tax Digital programme which relates to VAT recovery.
 - g) Finance will investigate extending the new recurring card payments system in other areas where this might aid recovery of outstanding amounts.
 - h) Finance will complete the upgrade to the Finance system for Academies and the SmartMobile system for the Councils which will enable staff to take card payments on the move and will be fully interfaced with back office systems.

- i) Finance will start preparations for the upgrade of the Finance system to the latest version for all three Authorities in 2020.
 - j) Finance will carry out a BACS software appraisal/implementation to replace the existing software package that will be end of life from 2021.
 - k) Design & Print are in the process of replacing their main digital presses which will ensure continued and improved options for production.
 - l) Design & Print will also continue to act as the professional advisor to NEPO (North East Procurement Organisation) on regional-wide print and paper contracts which are taking place this year.
 - m) ICT will complete the delivery of infrastructure required at the new Crematorium in Stockton and the new Leisure Centre at Ingleby Barwick.
 - n) ICT are migrating both Council's traditional main telephone connections to an Internet based system which will both improve resilience and make savings.
 - o) ICT are working jointly with both Council's Customer Services teams in the replacement of the Contact Centre telephony systems.
 - p) ICT are also rolling out a new network between the Council sites which will improve performance and resilience for systems and users.
 - q) ICT will deliver the deployment of the new desktop estate to users across both Councils and migrate remaining devices off Windows 7 which goes end-of-life.
 - r) At the same time, ICT will also continue with the deployment of Microsoft 365 as the new standard desktop office suite and assist users and services with the exploitation these new facilities bring.
 - s) ICT will continue in raising awareness on information security matters and minimising the associated risks both Councils face, whilst also retaining ISO, PSN and PCI certifications.
 - t) All Xentrall services will continue to engage with external customers to retain this business.
17. 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.

Name of Contact Officer: Ian Miles
Post Title: Assistant Director (Xentrall Shared Services)

Telephone No. 01642 527012

Email Address: ian.miles@xentrall.org.uk