

People Select Committee
Overview Meeting 2022
14 February 2022
Xentrall Shared Services

Context

Members are reminded of the Council's Vision that supports decision-making:

A place where people are healthy, safe and protected from harm

- This means the Borough will be a place where:
 - People live in cohesive and safe communities
 - People are supported and protected from harm
 - People live healthy lives

A place that is clean, vibrant and attractive

- This means we will enjoy:
 - Great places to live and visit
 - Clean and green spaces
 - Rich cultural experiences

A place with a thriving economy where everyone has opportunities to succeed

- This means that the Borough will have:
 - A growing economy
 - Improved education and skills development
 - Job creation and increased employment

The Council plays its part in making sure this is achieved by being a Council that is ambitious, effective and proud to serve.

- This means that we will make sure that we provide:
 - Financial sustainability and value for money
 - Dedicated and resourceful employees
 - Strong leadership and governance

Performance Reporting

Performance across the Council Plan was reported on a six-monthly basis to Executive Scrutiny Committee. Please see the link:

<http://www.egenda.stockton.gov.uk/aksstockton/users/public/admin/kab71.pl?cmte=SCR>

XENTRALL SHARED SERVICES

Assistant Director – Ian Miles

Relevant services include:

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

Council Plan 2021-2024

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

The key 2021-2022 priorities for Xentrall Shared Services are attached at Appendix 1.

Each year Cabinet receive an annual report on Xentrall Shared Services and the 2020/21 annual report presented to Cabinet in July 2021 can be seen at Appendix 2.

Emerging Issues & Challenges

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 budget savings and this success means that additional reductions become even more difficult to achieve. Reductions in capacity also mean that any new external opportunities can be more challenging to investigate and develop.
- Xentrall's response to the Covid-19 pandemic has been very good and we continue to support the Council as the national and local response to the pandemic adapts and changes. There is an element of risk as Xentrall services navigate through an uncertain 2022 and this will be managed as and when pressures arise.
- Supporting Academies is a significant part of Xentrall HR and Finance activities and this income supports the Xentrall financial model. Academies transferring into Multi-Academy Trusts (MATs) sometimes results in a migration away from Xentrall's services as some MATs have their own in-house provision. This reduction has been countered by additional Academies coming on-board with Xentrall, but this cannot be guaranteed.
- Most Council services could not function without their ICT systems and data. Resilience and security are designed into our systems, but the volume and complexity of threats continues to rise. Targeting end-users can be an easier way to break into an organisation's systems, rather than trying to "break down the front door". The continued awareness and vigilance of end-users is a key element to ICT defences and is something that continues to be a focus.

Priorities for the year ahead

Based on the Looking Forward priorities of the Annual Report (Appendix 2), activities across Xentrall include:

- a) Continuing to help the Council retain the benefits that have been gained through home working and help exploit the technology enabled opportunities and innovation that have also arisen across Council services.
- b) Continuing to develop and exploit the HR/Payroll systems for the benefit of the Council and continue to assess and take on new academy business as and when opportunities arise.
- c) Continuing to develop and exploit the main financial system and satellite systems.
- d) Continuing to support and develop the remote and agile workforce technologies as well as the all-important security protections which keep our systems and data safe.
- e) Further development and roll-out new features within the Microsoft 365 suite of products which are helping a disperse office and home-based workforce collaborate and work effectively as teams.
- f) Continuing to support events, campaigns and activities across the Council with eye-catching and effective printed media and materials.
- g) In addition to the above, Xentrall are involved in the planning for the move to Dunedin House. This encompasses the ICT requirements of the building as a modern office space, plus the transitioning of the Stockton network and computing backup core from Municipal Buildings to Dunedin House. The production facility requirements of Design & Print also form part of these plans.

Potential Areas for In-Depth Review

Members are reminded that topics are being sought for the Scrutiny Work Programme 2022-2023. 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.

Proposed topic suggestion to be considered at Executive Scrutiny Committee on 22 March 2022.

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

Appendix 1: Council Plan – Key Priorities 2021-2022 (Xentrall Shared Services)

We are committed to being a Council that is ambitious, effective and proud to serve means providing:

- Financial sustainability and value for money
- Dedicated and resourceful employees
- Strong leadership and governance

We have identified these key priorities for 2021-22 to help us achieve this vision. This year we will:

- Review our office accommodation and exploit digital technologies to ensure maximum cost effectiveness and accessibility, including learning from the arrangements put in place in response to COVID-19.

Appendix 2 – Xentrall Annual Report 2020/21

AGENDA ITEM

REPORT TO CABINET

15 JULY 2021

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET INFORMATION ITEM

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

XENTRALL ANNUAL REPORT 2020/21

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 a year like no other, Xentrall continue to be a critical element in the support of both Council's response to the global pandemic. As well as outlining these achievements, the report will also describe how Xentrall continued to provide the normal operational and development services throughout, to both Councils and our external customers.

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 twelve 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 thirteenth 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.

4. In recognition of the on-going success of this public/public partnership, in 2015 both Councils agreed to amend the original ten-year partnership agreement into an on-going rolling arrangement, which continues to this day.

VALUE FOR MONEY AND PERFORMANCE

5. 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, with Xentrall staffing reducing by approximately 40% from its starting position.
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. 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 have meant that these benchmarking activities have been paused during 2020/21.
7. Xentrall is also subject to various internal and external audit regimes which also confirm the good performance and governance of its services. All thirty-two Xentrall control checks undertaken by the Council's Internal Audit team during 2020/21 have achieved a green assessment. This builds upon the consistent 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

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, 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).

2020/21 OPPORTUNITIES TAKEN & EXTERNAL BUSINESS RETAINED

9. Xentrall continues to explore new opportunities for external business as and when these arise, in-line with the partnership's objective of tactically growing the business. Accepting 2020/21 has been an unusual year, Xentrall HR have still taken on twelve new schools as they joined our existing academy trusts customers and also during the year ICT have undertaken additional development work for the Combined Authority. 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 and/or finance services for 123 academy payroll groups
- h) Payroll to Richmondshire District Council and Richmond Citizen Advice Bureau
- i) Payroll to eleven Middlesbrough and seven Redcar & Cleveland schools
- j) Payroll and Employer Support to Direct Payment Clients at Stockton
- k) Bursary service to Stockton schools

10. 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.

2020/21 STOCKTON & DARLINGTON ACHIEVEMENTS

11. 2020/21 has been a year like no other and 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. Xentrall have had a very busy time since the pandemic started last March when we got to grips with hurriedly mobilising both Councils as well as ourselves. March and early April were hectic times. A snapshot of the Xentrall activities and achievements is shown below.

Xentrall HR

- Went live with phase 3 of payroll on ResourceLink for over 3,500 staff in Academies
- Kept paying almost 17,500 people, whilst implementing an upgrade to ResourceLink
- Quickly set up all of our own staff to work from home, including the testing of all required links to systems such as BACs and HMRC
- Completed Year End on ResourceLink and the old PSE system
- Set up emergency process for payment of staff in case of system failure
- Successfully undertook a full-service consultation and restructure whilst working from home
- Continued to grow external business

Xentrall Design & Print

- Quickly implemented many changes within the department to allow for the design team to work remotely whilst still maintaining a safely operational production team on site. Many additional hours were required by all involved and the unit often was operating around the clock just to keep up with demand
- Produced thousands of Covid-19 safety signs, floor markers, information notices and banners, as well as the supply and/or installation of hundreds of safety screens
- Produced hundreds of daily critical information letters for different services via the re-directional postal service set up between D&P and the Post Rooms (circa 75,000 letter over the year)
- Assisted with the Covid-19 test centres and Council run community or staff testing sites by producing mass targeted local leaflet drops and distributions to inform residents of key Covid-19 messages along with items such as directional signage and guidance packs
- Supported essential community projects by producing items such as supportive information for the vulnerable, labels or menu sheets for the food boxes and key guidance in different languages
- Supported the Tees Valley Mayoral and Cleveland PCC elections with polling station safety signage along with safety signage and stage banners at the count venue
- Helped both Council's Town Centres, public entertainment and health venues with safety messaging, display materials and promotional leaflets for re-opening
- Continued to support "business as usual" services with provisions for daily/scheduled print items such as Landlord/Benefits letters, direct payments notifications and printed

payslips, thousands of bus shelter timetables, vinyl wraps for town centre shop window displays, lamppost banners, billboards and street bunting

- Worked with the Globe at Stockton (both ATG and the Council) on marketing, wall graphics and large-scale window wraps
- First time production of Stockton's Council Tax bills and Benefit letters for annual billing
- Development of the Darlington Crest rebranding, the Hippodrome What's On guide and the Dolphin Centre 10 Pin Bowling publicity and most recently Stockton's SIRF

Xentrall Finance

- Achieved all of the year-end processing to deadlines set before lockdown and despite staff being displaced
- Completed year-end system changes and reconciliations working jointly from remote locations
- Maintained service delivery on day to day processing to ensure Academies were supported, suppliers paid promptly, and customers billed accurately where direct debit collection is in place
- Supported both Councils in processing grant funding payments to small businesses and retail, hospitality and leisure sectors. In a two-week window, Creditors processed over 2,900 payments totalling over £33m in state funded aid and all in addition to the usual supplier and interfaced payments
- Put additional payment runs in place for Stockton, Darlington and Academies in to ensure money was paid to suppliers as soon as possible
- Assisted both Councils in the set-up of payment systems to Support Hubs for vulnerable /shielded individuals who require assistance with shopping and medicines pick up
- All teams have also continued to support business as usual whilst mostly working from home

Xentrall Schools Finance

- Successfully completed the annual budget closure for Stockton schools
- Undertook the above, whilst being rapidly mobilised and getting used to working with schools remotely from home

Xentrall ICT

- Rapidly rolled out hundreds of laptops and Jabber iPhone installs across Stockton and Darlington, taking us to over 2,500 people using softphones instead of physical handsets
- Implemented Microsoft Teams to the whole workforce across both Councils to enable better collaborative and remote working
- Intensive behind the scenes work on the network, firewall, antivirus, remote connectivity infrastructure that supports a massive increase in remote workers, from originally around just over 100/day to now thousands of remote connections per day
- Mobilised our Service Desk and associated systems to being home-based and assigning additional staff to help manage the upsurge in calls, with ICT staff pulling together and taking on roles they haven't previously experienced
- Scoured suppliers for ICT kit, including elusive laptops and headsets
- Delivered innovative IT solutions to enable both Stockton and Darlington Support Hubs to become a reality
- Delivered innovative solutions to keep some large older service applications running and available in a remote working environment
- Provided a stream of user information and self-help guides to support home working
- Kept all the normal systems and services running that you'd expect on a daily basis from ICT, including upgrades, COVID-19 hot-fixes to systems and year-end processing
- Continued to deliver Council-wide changes behind the scenes to improve the remote working experience whilst mitigating the risk associated with applying this to a fully remote workforce

- And remained calm and level-headed throughout and ensuring the wrong decisions weren't taken due to pressures and urgency and a measured approach and the longer-term view prevailed, thus keeping the Council's systems and data safe
12. Since the UK restrictions came into place during March 2020, Xentrall have continued to provide a full range of services and underpin the vital functions of the Councils, whilst in addition, stepping up and providing additional services specifically in response to the pandemic situation. None of what we have achieved collectively could have been done without the dedication of all the teams across Xentrall and the years of investment in our systems, processes and most importantly the professionalism and skill of our staff. So much effort and additional hours have been put in and we continue to do so to ensure everything runs as seamlessly as possible. Acknowledgement must also go out to our service users who have co-operated and been understanding throughout. We've had some brilliant feedback.
13. 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 25 service-based projects across Darlington and Stockton during 2020/21. These have been wide and varied and have ranged from a number of housing projects for Darlington to a waste "robot" at Stockton and ICT infrastructure for the new Ingleby Barwick Leisure Centre. Shared projects also continue to be part of the benefit of the partnership, with a recent example being a joint development of a new Employee Protection Register IT system for Darlington and Stockton.

LOOKING FORWARD TO 2021/22 ONWARDS

14. As can be seen above, despite the pandemic the normal business of the day within Xentrall has continued throughout 2020/21 and is continuing into the current year. In addition to any new requirements resulting from both Council's response to the ongoing pandemic, Xentrall's projects for this year will include:
- h) Xentrall overall will continue to help both Councils retain the benefits that have been gained through mass home working and to help exploit the technology enabled opportunities and innovation that have also arisen across services and with agile working
 - i) 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
 - j) Finance will be implementing new BACS software, reviewing cheque stationary imagery, implementing virtual purchase cards as well as continuing to support and develop our use of the main financial system Business World On (aka Agresso)
 - k) ICT will continue to support and develop the remote and agile workforce technologies as well as the all-important security protections which keep our systems and data safe. In addition, in conjunction with both Councils, ICT will further develop and roll-out new features within the Microsoft 365 suite of products which are helping a disperse office and home-based workforce collaborate and work effectively as teams.
 - l) Design & Print will continue to support the many different service areas as required, however with the imminent restarting of events and venues being able to host shows, Design & Print will play a key role on both the marketing and production of supporting materials.
15. 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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