



# Greater Cambridge Shared Services 2017/18 Annual Report

VERSION 1.7

15 June 2018

Author: Brian O'Sullivan – 3C Shared Service Programme Manager

15 June 2018

## Executive Summary

This report provides a summary of the progress, benefits realised and examples of work we have undertaken in 2017/18 to take account of the needs partners priorities and visions.

Updates are provided on Shared Waste, Planning and Internal Audit who are at varying stages of development. Senior Managers are now in place across all three services and services have business plans agreed for 2018/19.

2017/18 has been period of considerable change for the Shared Waste Service with new collection rounds introduced. The service is now operating in a more steady state achieving a collection rate of 99.55% of bins on due day against a target of 99.5%.

Shared Waste has finished 2017/18 with an overspend of £365k against a budget of £11m per annum. This can be attributed to the reduction in recyclable material income, major service changes and staff costs. Shared Internal Audit had a underspend of £40,300 in 2017/18 against a budget of £298,440.

The Shared Planning Service although in its infancy has made significant progress with the business plan approved, consultations carried out and staff TUPE to SCDC.

Finally, we would like to thank all our staff, partners and stakeholders who contributed to delivering shared services.



Greater Cambridge  
Shared Services is a  
strategic  
partnership  
between Cambridge  
City Council and  
South  
Cambridgeshire  
District Council

## **1.0 Background**

- 1.1 Cambridge City Council and South Cambridgeshire District Councils have set up a number of shared services which are known as Greater Cambridge Shared Services. The services included under Greater Cambridge Shared Services are Waste, Planning and Internal Audit. These services are at differing stages of journey with Waste being the most mature, followed by Audit and with Planning being at early stage only having gone live in April 2018.
- 1.2 The agreed governance structure is in place for Greater Cambridge Shared Services with quarterly meetings and a forward plan in place for the Greater Cambridge Management Board (containing the lead directors from each authority), Greater Cambridge Chief Executives Board and Joint Advisory Group (comprising of the Executive Councillors from each of the Councils).
- 1.3 Shared Planning, Waste and Audit Business Plans for 2018/19 have been finalised and approved by the partners in March 2018. These provide information on the priorities, key performance indicators and budgetary profiles for 2018/19.
- 1.4 The focus remains on the shared services providing value for money and deliver quality services to both authorities with the business plans containing further details. The Waste, Internal Audit and Planning business plans for 2018/19 have been finalised and approved by individual partners committees.

## **2. Recommendations**

2.1 Cabinet is recommended to:

- Note the content of this report

## **3.0 Shared Planning**

### **3.1 Background**

3.1.1 The Greater Cambridge Shared Planning Service went live in April 2018 with the following objectives:

- To create and deliver an effective programme for the creation of a single, unified "Greater Cambridge" planning capability serving the Planning Committees of each of the participating Councils.
- To build a shared capacity and capability within the combined teams (and provide opportunities to support others) in a way that seizes opportunities for efficiency and quality improvements by providing services and products (including additional charged services) that meet the needs of users and the community at the lowest net cost.
- To deliver a service that can be flexible - in deployment and delivery.
- To build/retain a reputation for professionalism, staff development, the delivery of high quality outcomes and competent "business management" amongst peers and partners.

3.1.2 Although there were differences in how each of the two Council's planning teams operated, they were facing similar challenges - namely, how to manage with fewer resources, yet provide the high quality and often specialised planning advice that Councils rely upon. Each Council also recognised the need for a change of culture in the commissioning and delivery of planning services.

3.1.3 At the time each council struggled to recruit and retain planning staff, and was increasingly reliant upon external providers to meet its needs, especially on major projects. Nationally, standalone planning services teams were facing challenges to maintain a staffing level that provides the specialists they need across a wide range of planning disciplines. A shared service solution to join forces and create a critical mass of capability, target efficiencies, and actively seek to take advantage of income generating opportunities was approved.

### **3.2 General Progress to Date**

3.2.1 Following agreement in principle reached in 2015, in July 2017 the decision was made for the Planning Services at SCDC and CCC to join together into a new shared service to provide all of the functions of the District Councils operating as the Statutory Local Planning Authority for the "Greater Cambridge" area.

3.2.2 A number of activities have been completed during 2017/18 or are already underway to assist in the delivery of this project.

- A project board was put in place consisting of the Joint Director for Planning and Economic Development, Senior Management and Project Manager, the board meet on a 3 weekly basis to review the project progress and project work streams.
- An experienced project manager with change and planning experience was recruited to assist with the delivery of the project.
- PRINCE2 methodology is in use for the project management with detailed working documents in place i.e. communications plan, stakeholder's analysis and risk/issue logs.
- Project Initiation Documents were approved by the SCDC/CCC Joint Advisory Group.
- The proposed Business Case for the formation of the Greater Cambridge Planning Service was approved by SCDC and CCC Members in July 2017.
- A Communication and Stakeholder plan was set and agreed.
- A monthly staff newsletter has provided updates for staff in SCDC and CCC on progress of the projects with a Q&A section to address concerns and questions. Regular staff briefings have been held.
- A Member steering group was set up and meets regularly to review the project progress and give advice when needed.
- Regular highlight reports have been provided to the Steering Group and Executive Members in SCDC and CCC.

3.2.3 An initial consultation on the proposals for the new Greater Cambridge Planning Service, which included the proposed New Management Structure and the TUPE transfer of staff from CCC to SCDC, took place between August and September 2017. The outcome report was published on 23 November 2017. This was followed by a second consultation, started on 4<sup>th</sup> Dec 2017, which proposed a revised management structure. The consultation ended at the end of January 2018 and the outcomes report was published in February 2018.

As a result of the consultation the management team is now in place with the two Assistant Director roles currently going through the recruitment process in May/June 2018.

3.2.4 ICT requirements have been assessed and soft marketing has been carried out. A preferred supplier has been procured and a project manager engaged to deliver the system during 2018/19.

3.2.5 With the anticipated increased use of the Greater Cambridge brand throughout the year a number of areas will be addressed to assist in this being a success i.e. review of internal and external facing websites, redesigned templates, stakeholder communications and workshops, use of local and national media.

A logo for the Greater Cambridge Planning Service has been approved by a Joint Advisory Group and a workstream is underway to carry out branding in a controlled manner over the coming months.

- 3.2.6 Once the senior management structure is in place and posts are appointed to, the senior management team will focus on the development of the complete structure and further define the future operating arrangements. This will involve analysis of workloads, demand on the service and processes with a view to adopting best practices and maximising efficiencies. This stage will include a review of the activities which are undertaken outside the current services (having regard also to TUPE), for example trees and landscaping, and an assessment of the impact of the new planning service on wider council's service areas that are not in scope, for example the existing customer contact arrangements. The development of the specialist services capability will also be covered during this phase. Once this structure is developed a further formal consultation process will be carried out with staff and unions in accordance to the agreed policies at both partner authorities. Implementation will then be delivered on a phased work programme.
- 3.2.7 The service will continue to maintain a presence at both Cambridge and Cambourne. Nevertheless, one of the aims of the service is to work in a flexible and agile way aligned to both partners' individual office accommodation and future investment and delivery strategies. There will be no immediate changes in the locations of individual teams until the future structure is known – although collaboration between officers in different offices engaged on specific tasks is expected to increase.
- 3.2.8 Once the office accommodation is reviewed it is expected that a phased implementation of any accommodation changes, to meet wider corporate programme timelines will be required, learning the lessons from previous shared services projects.

### 3.3 Finance

- 3.3.1 The net costs for the 2017/18 (service still separate) is recorded in the table below.

	Income	Expenditure	Net cost
CCC	2,042,780	3,755,650	1,712,870
SCDC	2,266,050	7,186,287	4,920,237

- 3.3.2 Financial savings have been profiled over the coming years but the emphasis is currently on consolidation of the new shared service and on business delivery.

### 3.4 Customer Feedback

- 3.4.1 As the service only launched on April 1<sup>st</sup> 2018, the 2017/18 year was largely focussed on staff consultation and feedback in the setting up of the service. Throughout the next

stages of the service establishment and transformation, focus on staff and stakeholders will continue. A stakeholder plan is incorporated into the communications plan and identifies stakeholders and the appropriate channel and level of communication required

- 3.4.2 The member steering group, comprising portfolio holders, and key officers from both Local Authorities, continues to act as a focus for core feedback from partners
- 3.4.3 In terms of the wider customer base the service already operates a feedback process for SCDC decisions and is expecting to review and extend that process through implementation of the new ICT solution. In spring 2018, the service proposes to carry out multi-site “road shows” targeted at residents to raise awareness and improve openness about the service and its objectives amongst users. Both Services hold bi-annual “agents” forums and SCDC has a quarterly Parish Forum of which 2 each year are focused primarily on planning matters.
- 3.4.4 Through 2018, the service will continue to reach out to the development community via Local Bodies (Cambridge Ahead, Cambridge Construction Awards) and targeted partnership working with the public sector (County Council, GCP and CA). Once the full managed team are in place, capacity to extend the dialogue with key landowners, promoters and developers, building upon existing lines of communication, will grow. The service is already fully embedded in the area forums at the City and networked with local community bodies such as FeCRA, University, and Cambridge PPF etc.

## **4.0 Shared Waste Annual Report**

### **4.1 Background**

**4.1.1** The Greater Cambridge Shared Waste Service was set up with the following objectives:

- Deliver a safe and legally compliant service.
- Maintain and improve service quality that residents can see and appreciate.
- Lower operational costs, particularly in the areas of premises, management, administration, fleet and equipment costs.
- Increase opportunities to market and compete for additional business, for instance in relation to trade waste.
- Find new opportunities to reduce net costs in relation to fleet procurement and maintenance.
- Achieve service improvements, greater resilience and better performance, through shared knowledge and experience.
- Enhance opportunities to work with other Cambridgeshire local authorities via the RECAP Waste Partnership to reduce waste collection and disposal costs, improve income and secure service improvements.

- Deliver the KPIs for the service; deliver the ongoing benefits of a shared service through change and innovation.
- 4.1.2 All staff in the Greater Cambridge Shared Waste Service are now employed by SCDC and work on behalf of CCC and SCDC. A Shared Management Team comprises of a Head of Waste, Waste Operations Manager, Waste Policy, Change and Innovation Manager, and Commercial Waste Manager. All staff and vehicles are now located at Waterbeach depot.
- 4.1.3 The Greater Cambridge Shared Waste Service collects 9.5m recycling and waste bins each year from 121,581 households and over 3,000 commercial customers across both council areas.

## **4.2 General Progress to Date**

- 4.2.1 In 2017/18, the service has been focusing on the following operational areas:
- A. Developing improved operational systems.
  - B. Completing scheduled collection in day and reducing missed collections.
  - C. Data integration of round management systems.
  - D. Minor Round changes between vehicles.
- 4.2.2 The Shared Waste Service collected an average of 99.55% of bins on due day over Q2 to Q4, against a target of 99.5%. Following its launch the Service undertook major operational service changes in Quarter 1 of 2017/18 resulting in a complete overhaul of waste collection rounds impacting on over 80% of residents across Cambridge City and South Cambridgeshire. The results and learning from these changes have been reported twice to Scrutiny Committees at both Councils in 2017/18. Discounting the inevitable impacts that these operational changes made in Quarter 1, the Shared Service has successfully embedded the new rounds and restored excellent service levels to residents, hitting a 99.86% collection rate in February 2018.
- 4.2.3 In December 2017, further service changes were delivered across South Cambridgeshire as separate paper collections stopped and paper was moved to being collected in the blue recycling bin. This will enable the Shared Service to save around £600k on the costs of new waste collection vehicles, increase vehicle collection capacity to reduce the number of collection rounds being operated, improve health & safety for crews by removing the need to lift paper caddies, and provide operational flexibility across the Shared Service area by standardising the collection fleet.



- 4.2.4 Provisional recycling rates across Cambridge City and South Cambridgeshire are anticipated to be 49.72% against a target of 50%. This again reflects reduced amounts of recycling material collected during the major service changes in early 2017, as well as reduced tonnages of green waste collected in early 2018.
- 4.2.5 The service is still struggling to recruit qualified drivers into vacant posts due to the high demand for skilled drivers in the local market. The service has increased the amount/type of advertising undertaken to try to attract more drivers. The service has also started two operatives on a driver training courses.
- 4.2.6 New vehicles have been procured and the replacement collection vehicles have now been added to the fleet and liveried in the new branding. This procurement is a major long-term investment in the service as these vehicles will now serve the area for the next 7 years.
- 4.2.7 The procurement of a shared ICT management system for streets, open space and waste operations for HDC, CCC and SCDC is now completed. The service and support services in both councils has been working with the successful contractor 'Yotta' during the implantation stage, which has involved looking at system flows, integration into other systems and communication routes for residents. The system implementation and customer-focused digital changes are currently underway and will go live during summer 2018.

### 4.3 Finance

- 4.3.1 The outturn for the 2017/18 is recorded in the table below.

£	Budget	Actual	Variance/Outturn
Waste Service	11,000,000	11,365,000	365,000

- 4.3.2 On a spend of £11m per annum, the final position for the Shared Waste Service for 2017/18 was £365k over-budget, split between South Cambridgeshire DC (£240k) and Cambridge City (£125k). While there were underspends on fuel and an increase in commercial income from Trade Waste collections, this overspend is mainly as a result of:
- RECAP Recycling Contract & Market changes. All waste collection Councils across Cambridgeshire face increased costs and reduced income from the collection and sale of "blue bin" recycling material. This is the result of more stringent contract controls, an increase in the amount of "contaminated" recyclate collected resulting in a decrease in recycling credits received from the County Council, and a major downturn in the global

recycling market. This is likely to be an on-going financial pressure for all the Councils and is unrelated to the service being “shared”. Discussions are on-going with our materials recycling facility supplier, and a communications plan is in place to ask residents to reduce contamination and increase the amount of high-quality recycling they put in their blue bins.

- One-off costs associated with the major service changes made in the last year. 3 extra bin trucks were hired with extra crews to support the service changes to ensure a smooth transition to the new collection rounds. These extra rounds ended in late 2017. Extra blue bins were also supplied on request to South Cambridgeshire residents to replace paper caddies.
- Staff sickness levels (average 17.53 day's p.a.) remain above target of average 7 days p.a., resulting in an on-going pressure on staffing budgets. This reflects a high percentage of long-term absences. This is being actively managed and will reduce over time.

#### **4.4 Customer Feedback**

4.4.1 Owing to the transition period the service did not undertake a customer satisfaction survey last year. There was a high level of customer feedback and complaints around bin collection raised following the transition which were reported at two committees in 2017/18. The changes and improvements made in year, however, saw these reduced by last quarter.

### **5.0 Shared Internal Audit Service (SIAS) Annual Report**

#### **5.1 Background**

5.1.1 There were two main drivers behind the decision to consider setting up the SIAS:

- CCC and SCDC desire to have a strong business focussed leadership model, in line with other shared services, to lead the shared Internal Audit Service across the two Councils.
- Bringing together the professional discipline of internal audit into one team, provides the opportunity to deliver a more resilient and responsive service that would allow internal audit work to be carried out seamlessly and without boundaries across the two Councils.

5.1.2 The rationale for the service establishment is to provide the opportunity to deliver a more resilient and responsive service resulting in:

- improved audit coverage that is of high quality;
- increased productivity; and

- potential for audit services to be offered commercially

## **5.2 General Progress to Date**

- 5.2.1 The Shared Internal Audit Service has had a challenging year as there were significant staff changes within the team, leading to a reduction in resources. This was recognised as a potential risk in the business case, and has been managed by utilising agency workers. Consequently much of the year was devoted to maintaining “business as usual” in this challenging environment.
- 5.2.2 Despite the challenges there have been positive achievements over the last 12 months, including recruitment of the Head of Shared Internal Audit (HSIA) and the TUPE of the SCDC post into CCC. The team is currently recruiting to the vacant posts.
- 5.2.3 The service has delivered a variety of core work notably:
- Production of a risk based Internal Audit Plan, which includes joint working and compliments the needs of both Councils. These were approved, with an updated Charter and Code of Ethics, by both relevant audit committees.
  - Providing assurance on the Council’s compliance with the Local Code of Governance through the production of Annual Governance Statement.
  - Reporting on counter fraud and corruption arrangements, plus completion of data analytics to detect fraud and error.
  - Supported the risk management and internal control framework through the delivery of audits and agreeing actions for improvement with management
  - Providing support and assurance on key projects, and advice on effective controls, including systems, procurement, and governance
- 5.2.4 The team is required to comply with Public Sector Internal Audit Standards and the Local Government Application Note. The team complete an ongoing Quality Assurance and Improvement Programme which identifies opportunities for improvement. An external inspection, to validate this, must be completed once every five years. This validation by a CIPFA appointed assessor commenced in the first week of May. This process has been useful and has helped to inform and structure how the service can be improved. The service has already commenced some parts of its improvement programme, by introducing a new performance management system for the start of the 2018/19 financial year.

### **5.3 Finance**

5.3.1 The outturn for the 2017/18 is recorded in the table below.

£	Budget	Actual	Variance/Outturn
Internal Audit	298,440	243,471	(54,969)

5.3.2 The service underspent by £54,969 in 2017/18 against the planned annual budget of £298,440. This is mainly due to the employee vacancies within the service.

5.3.3 The service will continue to consolidate, with the target of establishing future income generating services. Market analysis will be completed, along with brand development, in years 2018 and 2019, which will enable income projections to be built into the financial overview. Costs will potentially increase with income generation, as the resource need will also increase. This will provide improved resilience and efficiencies for the two Councils, as the team develops, and help to deliver the vision.

### **5.4 Customer Feedback**

5.4.1 The new Head of Internal Audit, Jonathan Tully, joined in December 2017 and has been focussed on addressing staff vacancies and in delivering core business. In 2018, the plan is to develop the brand and customer marketing to increase awareness of the service. Customer feedback surveys and the Quality Assurance and Improvement Programme will be used to inform service delivery and improvement.

## **6.0 Conclusion**

6.1 The Annual Report is for information.

6.2 2017/18 has been a positive year regarding financial performance as the services work towards delivering the outcomes of the original business cases. Operationally the services are delivering a better service and the focus on performance management will ensure that the focus remains in this area.

6.3 Having a strong management team in place, detailed business plans, good governance and a variety of combined strategies in place the services are in a positive place to deliver further benefits set out in the original business plans..