



**CORPORATE &  
TRANSACTIONAL**

## Collaborative Working and Shared Services

### Summary

Chesterfield Borough Council, North East Derbyshire Borough Council and Bolsover District Council recognised that they needed to deliver services more efficiently and effectively through best value improvements.

To achieve this, the partner authorities decided to undertake an options appraisal aimed at discovering what the most efficient arrangements would be for the four chosen service areas. Once armed with the results from the appraisal the partners set about developing a business case which would allow them to improve flexibility, share best practice, achieve economies of scale, remove duplication, improve staff retention and exploit opportunities to deliver cashable and non-cashable savings and qualitative service improvements.

The project would significantly alter service delivery arrangements within the three local authorities – with new strategic procurement practices ensuring that commodities, goods and services are efficiently sourced. The project also sought to improve procurement capacity, exploit economies of scale and improve contract management procedures.

Improvement through efficiency



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## Project background

Chesterfield and North East Derbyshire have a long history of working together and in 2001 set up a Member-led Steering Group and implemented a joint working protocol to explore additional opportunities for collaborative working. Bolsover District Council completed the trio when it joined in 2005.

A number of joint working initiatives had already been established prior to this latest project, including a Joint Tourism Service, Home Improvement Agency, and the development of shared strategies.

The Home Improvement Agency was a joint initiative between all three authorities as a result of a best value review. Key benefits for this project were derived from the provision of a joint handy person service.

In order to progress their shared service work to the next level the partner authorities sought external grant aid funding from the East Midlands Centre of Excellence. The application centred on four potential areas for development:

- Internal Audit
- Building Control
- Procurement
- Corporate Services.

The four project areas were highlighted as potential areas of joint working, and the provision of grant aid acted as the catalyst to progress the programme at a greater speed.

The partners submitted an application to the East Midlands Centre of Excellence, and obtained funding to undertake options appraisals for Internal Audit, Building Control and Procurement, Procurement and Corporate Services.

## The challenge

Keeping all the partners on board and in agreement! Consensus was aided by developing a robust, relatively simple project / governance framework and ensuring communication and consultation between partners was maintained.

The Member-led Steering Group which included the councils' Leaders and Chief Executives also played a key part in delivering this project. Buy-in at all levels of the partner councils' allowed the Working Group to agree a set of objectives, including efficiency savings, improved customer service, added value to services and market testing opportunities.

It was also important to ensure generic issues such as Human Resource and legal implications were integrated into the review process as early as possible. A series of project teams working with a lead officer was

established and an agreed reporting structure set up which satisfied all partners. Budget heads were established for each work stream, and regular information updates were regularly issued to staff.

## Benefits delivered to date

The key objective of the project was to secure efficiency savings in terms of economies of scale benefits, smarter procurement practice and improved output through improved working practices, whilst improving - or at the very least maintaining - the existing quality of service provision across the Councils.

## Procurement

District Councils who have set up collaborative procurement units typically claim savings of approximately 2% on spending. The introduction of a fully integrated e-procurement solution should also result in transactional savings of up to £40,000 per authority.

The Shared Procurement Unit, which was established in May 2007, is targeted to achieve in excess of £200,000 cashable savings across the three authorities. Early indications are that this target will be exceeded.

## Building Control

District Councils that have established collaborative working typically generate improvements in customer relations management and an increased ability to compete with the private sector through joint commissioning of Building control services. It is also anticipated that collaboration will release efficiency gains and improve customer service. At the project start date the approximate total cost of the Building Control Service for the three authorities was £925,000. As of July 2007, figures indicate that the Building Control Consortium is targeted to achieve cashable savings in excess of £80,000 across the three authorities during year one, and improve customer service at the same time.

## Internal Audit

The business plan for the Internal Audit Consortium identified cashable savings of approximately £29,000 for one authority and non-cashable efficiency improvements for the other two authorities.

## Corporate Services

The business case outlined that the project should secure potential efficiency savings, in terms of economies of scale, improved standards and improved working practices. Reduce costs for all Corporate Services functions without a diminution of service quality. Improve Customer Services and turnaround times for processing cycles e.g. application for Housing Benefits.

## Where we are now (July 2007)

- Internal Audit - Joint consortium launched in April 2007.
- Procurement - Launch of Shared Procurement Unit in June 2007.
- Building Control - Launch joint service in June 2007 under the proposed new name BCN Consultancy.
- Corporate Services - Options appraisal completed, now preparing a business case on a strategic public / private partnership.
- Improvements in quality, flexibility and resilience already identified.

## Where next?

Work to deliver a shared Corporate Services function is moving forward rapidly. This joint working project is now subject to the development of a detailed business case with the following service areas subject to consideration for joint working:

- Customer services
- HR
- Legal services
- Revenues and benefits
- Finance
- ICT
- Property services

## Expected benefits over 5 years

By implementing the recommendations from the appraisals, the three authorities are expecting to secure cashable benefits of £3.3m, non-cashable benefits totalling £1.1m and a qualitative service improvement of 54% over a period of 5 years from commencement of the projects. The savings were calculated using the RSe Brent Return on Investment (ROI) model.

## Risks

As part of the project management arrangements, significant risks were highlighted at an early stage. The three most serious risks as highlighted in the ROI report included loss of political will, lack of available officer resource and the handling of complex HR issues. The following actions were taken to mitigate these risks:

- Regular and clear communication including news sheets and open door sessions with staff/trade unions.
- The use of the grant monies to fund consultancy support and backfilling.
- Commissioning expert advice on HR, governance and legal issues.

## Transferability

Delivery of the four projects will draw out many important issues regarding strong governance arrangements and member involvement.

It is hoped that the approved solutions from each project group will be fully implemented and established by engaging Members, employees and key stakeholders.

The three authorities propose that this flagship project will transfer learning externally by:

- Hosting open days for interested parties.
- Delivering presentations to and on behalf of the EMCE.
- Making a lessons learned log available to interested parties.

When running successfully this project can be extended to other local authorities in Derbyshire, as part of the countywide agreement to improve two-tier working arrangements.

## Role of RCE

The support and assistance of the East Midlands Centre of Excellence was sought by the partnership at an early stage in the process and was seen as essential in ensuring the projects success. The project benefited from grant aid funding of £100k from the EMCE, and an additional £50k from the East Midlands Improvement Partnership (EMIP) for the implementation of a corporate services solution.

## Partner authorities:

Bolsover District Council  
Chesterfield Borough Council  
North East Derbyshire District Council

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