



London Borough of Merton

Executive summary and recommendations arising from the scrutiny task group review of shared services in Merton

Overview and Scrutiny Commission

July 2015

Task group membership

Councillor Peter Southgate (Chair)
Councillor Hamish Badenoch
Councillor Suzanne Grocott
Councillor Russell Makin
Councillor Imran Uddin

Scrutiny support:

Julia Regan, Head of Democracy Services
For further information relating to the review, please contact:

Democracy Services Team
Corporate Services Department
London Borough of Merton
Merton Civic Centre
London Road
Morden
Surrey SM4 5DX

Tel: 020 8545 3864
E-mail: scrutiny@merton.gov.uk

Acknowledgements

The task group would particularly like to thank the council officers and directors who shared their experiences and thoughts with us.

All contributors are listed in Appendices 1 and 2 of this report.

Executive Summary

This is the first in a series of task group reviews established by the Overview and Scrutiny Commission to increase its knowledge of different models of service provision and the associated implications for scrutiny. This review has focussed on shared services. Subsequent reviews are planned to examine outsourced and commissioned services, amongst other models to be determined by the Commission.

Task group members have had in-depth discussions with service managers and directors in order to identify the different ways in which local authorities can co-operate to share service provision, management or procurement; what benefits and challenges are associated with shared services; and what the key factors are for successful sharing. They have spoken to directors and managers of existing and planned shared services as well as discussing instances where initial discussions have not led to the establishment of a shared service.

The task group found that, as for all delivery models, how the service is specified and managed will be key to its success. Other factors contributing to success are strong, enthusiastic leadership, senior management and political support, good project management and support from a range of internal support services.

The council has taken a pragmatic approach towards setting up shared services, seizing opportunities as they arose as well as actively seeking partnerships for those services that would benefit from this. The task group found that, although this approach has served the council well, more could be done to support service managers through the initial assessment, negotiation and establishment phases.

The task group found that the benefits to be gained from a shared service arrangement are considerable. What the benefits are will depend on the nature of the services being shared and the model of shared service delivery that is chosen, and may include financial savings, services that are of better quality, more specialised and more resilient as well as opportunities for staff development and better retention of staff.

The task group has made a small number of recommendations aimed at strengthening the decision making process and supporting service managers through the negotiation, set-up and delivery phases of a shared service. It has also recommended that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services.

It is anticipated that a number of these recommendations may also apply to other models of service provision and so the task group has recommended that the Overview and Scrutiny Commission receives several task group reports before forwarding a composite report to Cabinet for its consideration.

The task group's recommendations run throughout the report and are listed in full overleaf.

List of task group's recommendations

	Responsible decision making body
Recommendation 1 (paragraph 14)	
We recommend that the Head of Democracy Services contacts the Chief Executive of Achieving for Children (a shared service between Richmond and Kingston Councils) to organise a visit for task group members to scrutinise their delivery model on a date that is convenient to Achieving for Children	Overview and Scrutiny Commission
Recommendation 2 (paragraph 22)	
We recommend that decision making on the establishment of new shared services is strengthened through the production of a standardised business case that is presented to the Corporate Management Team and to Cabinet (or the relevant individual Cabinet Member for smaller shared services) for approval. This business case should include financial modelling as well as details of other expected benefits so that vigorous challenge can be provided prior to a formal decision being made.	Cabinet
Recommendation 3 (paragraph 29)	
We recommend that Cabinet should ensure there is support provided to service managers who are exploring the feasibility of establishing a new shared service so that these managers can draw on learning and expertise that already exists within the council. We suggest that this should take the form of an on-line resource such as a checklist of issues to consider and contact details of officers who can provide advice and support. The resource should also include guidance on developing the business case for the service as set out in recommendation 2 above.	Cabinet
Recommendation 4 (paragraph 49)	
We recommend that Cabinet ensure that a training or briefing resource is developed for officers in those corporate teams (such as HR, IT, finance and facilities) so that they understand the delivery model and likely support requirements of the council's shared services.	Cabinet
Recommendation 5 (paragraph 50)	
We recommend that the council's Corporate Management Team use its review of the Target Operating Model, in particular the corporate layers, to ensure that learning from existing shared services has been captured and that	Cabinet – delegated to CMT

there is a standardised approach to modelling proposed new shared services.	
Recommendation 6 (paragraph 53)	
We recommend that scrutiny should take a role in reviewing the operation, performance and budget of large or strategically important shared services 15 months after their start date and when the agreement is due for review.	Overview and Scrutiny Commission
Recommendation 7 (paragraph 54)	
We recommend that in considering which shared services to scrutinise, the Overview and Scrutiny Commission and Panels should bear in mind the governance structure for the service so that scrutiny activities do not duplicate the function of elected members on any governance committee that has been established.	Overview and Scrutiny Commission
Recommendation 8 (paragraph 62)	
We recommend that the Overview and Scrutiny Commission should continue to commission mini task groups to examine other models of service delivery.	Overview and Scrutiny Commission
Recommendation 9 (paragraph 63)	
We recommend, that due to the cumulative approach to learning adopted through this series of task group reviews, the Overview and Scrutiny Commission should send a joint report to Cabinet once several task group reviews have completed rather than sending each one separately.	Overview and Scrutiny Commission

This page is intentionally left blank