

HAMPSHIRE COUNTY COUNCIL**Report**

Committee/Panel:	Buildings, Land and Procurement Panel
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Title:	Shared Services Update
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Report From:	Director of Culture, Communities and Business Services

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1. Summary

1.1. The purpose of this paper is to provide an update on shared services arrangements in the department currently being progressed relating to:

- Property Services
 - Regional 'Cluster' for Property Services
 - South East 7
 - Academies in Hampshire
 - South East and London Construction Framework
- Business Services
 - Partnership working between Hampshire Scientific Services and Hampshire Constabulary Scientific Services
 - Procurement
 - Hampshire Printing Service
 - Courier Service
 - Facilities Management
- Community Services
 - Registration Services

2. Property Services

2.1. Regional 'Cluster' for Property Services

2.1.1. It is some time since the Panel was updated on progress in relation to the Regional Cluster arrangements. Four Authorities (Hampshire, Surrey, West Sussex and Reading) continue to work together to deliver programmes of work to the benefit of all organisations taking part and ultimately to the tax payer. This initiative is focusing principally on the delivery of increased pupil places in primary schools. It is notable that the first secondary school expansion project (Calthorpe Park in Fleet) is now on site and growth in this sector will inevitably flow after delivery of additional primary school places.

2.1.2. The principal aim of the Cluster was to deliver savings across the programme by economies of scale and a joined up approach. It has also led to increased income into Property Services in Hampshire as a result of designing and delivering projects for the other Cluster Partners (in the order of £7million over the last three financial years). To date, the following has been achieved:

- 54 building projects across four Authorities.
- £275 million total projects.
- 12,400 school places being delivered.
- 20 projects completed by September 2014.
- £14.8 million of aggregated savings so far.
- 30% of the projects included in the programme realised construction savings of more than 10%.

2.1.3. There are potentially up to £600 million worth of joint projects that could go through this mechanism and this is of significant interest to regional and national contractors. To date, five national contractors have been engaged on three separate phases of works. All of the projects are being procured through the South East and London Construction Framework managed by Hampshire County Council Property Services on behalf of all Local Authorities in the region.

2.1.4. There is strong evidence of improved cost reductions from one phase to the next as a result of learning and collaboration across the four Authorities and five contractors currently engaged.

2.2. South East 7

2.2.1. The Property workstream of the SE7 (led by Hampshire County Council) is maintaining strong collaborative working across the Authorities concerned – East Sussex, West Sussex, Brighton and Hove, Medway, Kent, Surrey and Hampshire. A work programme has been developed which focuses on common priorities for all the Authorities and has crystallised into three principal areas of business:

- Construction Group: This area is focussing on identifying a potential pilot programme of construction projects across the region; gather benchmarking cost information as powerful evidence to robustly challenge Developers'

Contributions and Grant from Government; establish a pipeline of building projects over the next 3-5 years across the region; deliver a common approach to construction procurement; investigate direct intervention with the major supply chains beyond the main contractors to achieve efficiencies in resources and further cost savings.

- Investment Group: Share knowledge about models of investment in assets to create future revenue streams; work together to create new models of potential residential delivery also leading to new revenue streams from capital investment and asset value.
- Energy Group: Share learning and investigate opportunities for collaborative energy procurement; understand about Power Purchase Agreements and how they might benefit the sector; opportunities to share learning about business cases for investment in renewable energies.

2.2.2. Given the parallel nature of the agendas for both the Cluster and the SE7, the Director of CCBS is currently exploring, with colleagues from other Authorities, what synergies there are to merge the two initiatives into a wider construct. This could extend the 'coalition of the willing' to a larger scale and more powerful influence on the design and construction market in the South East. Given the inflationary and resource pressures now emerging in the construction industry, collaborating with our peers will give us a stronger position in the market and mitigate for the potential of authorities competing against each other for the same construction capacity.

2.3. Academies in Hampshire

2.3.1. In a previous report to this Panel, Members were informed of progress in developing an innovative Joint Working Agreement with Academies in Hampshire. This has been a complex and lengthy dialogue with a number of Academies in Hampshire but is now coming to a successful conclusion. The Director of CCBS is confident that seven Academies (secondary schools) will join the arrangement and this could potentially be extended to three more giving a total of ten.

2.3.2. This arrangement avoids annual contract renewals and the need for Academies to formally tender their Property Services. The benefit to Hampshire County Council is that with up to ten schools joining the Partnership arrangement (in a similar way to the construct with Fire and Police) they will continue to spend, collectively, around £1.5 million a year managed by us. This will retain fee income of around £150,000 - £200,000 per year in total.

2.3.3. The number of converting Academies has significantly slowed since its introduction by government two years ago, but there is still a number being created as a result of school performance issues. Hampshire County Council Property Services continues to retain the supply of services to the majority of such Academies. A recent example being Mill Chase School in Bordon which is now part of the Chichester Academy Trust chain for which we provide a range of services to this and other schools in the County.

2.3.4. Overall, the Director of CCBS continues to ensure that our services to schools are high quality and respected, and the County Council still maintains Property Services (for revenue and capital) to 97% of all schools and Academies in the County. It was recognised with the introduction of the new Academies initiative, that this could be a significant threat to Property Services fee income. The risk of this is now reduced but it is important to remain vigilant and customer focused in this changing market.

2.4. South East and London Construction Framework

2.4.1. Hampshire County Council's Property Services procured and now manage a construction framework which is a route to market for all Local Authorities and public sector organisations in the South East region and London. Building on the success of the previous generation, iESE Construction Framework, the latest four year SEaL arrangement continues to grow and deliver benefits for all Authorities taking part and also the County Council's Property Services as the managing agent.

2.4.2. The SEaL Framework has delivered the following benefits up to the spring of 2014:

- 58 public sector client users across the region.
- 180 projects underway or delivered.
- £1.3 billion total value of projects.
- £31.65 million evidenced benefits and collective savings.
- 92% of sub-contractors are small and medium enterprises (SMEs).
- 100% of construction waste not going to landfill.

2.4.3. The County Council is currently collaborating with Devon County Council and Haringey Borough Council to procure the next generation construction framework – to be called the Southern Construction Framework (SCF). This is being procured in three regional Lots (London, South East and South West) and will come into effect in the summer of 2015. Expressions of Interest have now been returned and a tender list of contractors for each Lot has been agreed. Tender documents are currently being prepared and will be issued this autumn.

2.4.4. The current and future generation frameworks are set up on the basis of a small tariff charged to the contractors for each project which contributes to the cost of the Team in Property Services and the professional time (which is significant) to re-tender such a major framework arrangement. This currently brings in revenue income to Property Services of around £1 million per annum and fully covers the costs referred to above.

3. Business Services

3.1. Partnership working between Hampshire Scientific Services and Hampshire Constabulary Scientific Services

3.1.1. Excellent progress continues at the joint scientific service. UKAS accreditation continues to be extended in alignment with the legislative

(Forensic Regulator) requirements. The teams are now based at Southampton, Cosham and Southsea and continue to lead the way across Europe with this new requirement for accreditation of forensic scientists. The accreditation now covers Toxicology (the investigation of poisons involved in death), drugs of abuse, finger and tool marks (left at a crime scene), crime scene investigators and DNA.

3.1.2. Over the coming years, the intention is to further develop accreditation to meet the needs of the forensic regulator in digital forensics, i.e. the recovery and examination of digital material. Information stored for example in computers, phones and electronic media.

3.1.3. The Lead UKAS inspector in his summary told the team that: “there is a good ethos across the whole organisation which is rare and refreshing and Hampshire Scientific Service is up there with the best of the best” that they see and an “organisation that is consistently improving”. A fantastic accolade that recognises: the skills, dedication and hard work of around 100 people and demonstrate the value of working together.

3.2. Procurement

3.2.1. Existing procurement staff from Hampshire Constabulary (HC) and Hampshire Fire and Rescue Service (HFRS) relocated to sit alongside procurement colleagues in the County Council at the beginning of April 2013 and the joint service operates under the title of the ‘Hampshire Joint Procurement Team’. The period of interim joint working through 2013/14 converted into permanent arrangements in spring 2014. A re-structuring of the team has been undertaken in recent weeks and significant recruitment activity is underway to complete the new structure. It has also been agreed to integrate the small procurement team within Environment, Transport and Economy (ETE) with the Joint Procurement Team. The first step has been the appointment of the ETE Procurement Business Partner to a combined post within the new structure with effect from 1 October 2014.

3.3. Hampshire Printing Service (HPS)

3.3.1. An interim period of joint working was completed successfully and a reorganisation of the combined team has recently been undertaken. Two members of the team will be leaving the organisation at the end of the financial year.

3.4. Courier Service

3.4.1. A new service has been formed with the Area Drivers from the Constabulary and the County Council’s existing courier service, which already serves the principal HFRS locations as well as schools and County Council buildings across Hampshire.

3.5. Facilities Management

3.5.1. Work has progressed on the formation of a Joint Facilities Management Service as part of the corporate shared services initiative and Facilities Management staff from partner organisations transferred to the County Council at the beginning of September. The staff complement for the in-scope services consists of 116 full time equivalents. At the outset, the new

service reflects the individual requirements of the partners within the following areas:

- Site Services (FM premises management functions)
- Help Desk (to support FM service enquiries)
- Reception, Security and Access Controls

3.5.2. As it develops, the integrated Joint Service will need to respond flexibly to the needs of the partner organisations. Particular focus will be given to the estate development programme managed by the Police and Crime Commissioner, which is linked to the delivery of significant efficiency savings in the long term.

3.5.3. The Joint Service will also aim to provide a centralised postal fulfilment 'shared service' for outbound mail for which there will be a charge back arrangement of costs. The service will involve the management of outgoing mail from Hampshire Constabulary's Winchester HQ and Kingsworthy sites, HFRS's Eastleigh HQ and County Council sites in Winchester and other locations may be considered in the future.

4. Community Services

4.1.1. Registration Services

4.1.2. In terms of shared services and partnership working, the Registration Service currently has the following arrangements in place;

- After many years of negotiation, a new partnership agreement with Southampton City Council has been introduced to offer birth registrations to customers who live within the registration district of Hampshire County Council, but have their babies in Southampton. This mirrors the agreement already in place with Portsmouth City Council. Not only has this improved the service to our customers but we are now also able to generate income from the sale of birth certificates in these areas.
- Worked in partnership with the Department for Work and Pensions (DWP) to support a national trial to extend the Tell Us Once service to NHS Pensions.
- The trial was successfully concluded and the DWP are preparing a business case to make the necessary system changes.
- Led on a national joint project with the Local Registration Services Association, General Register Office, City & Guilds and National Panel for Registration to develop and implement a national qualification for registrars across England and Wales. The project has successfully completed its pilot phase involving 9 local authorities, 13 assessors and 27 candidates, all of whom were recognised at an Awards ceremony on 15th September.
- The registration service has been working closely with Children's Centres across the county (developing a poster and guidance notes) with the aim of encouraging new mothers and fathers to jointly register the birth of their babies. This supports the government aim to reduce the number of births registered to a single parent by ensuring that both parents are recorded on the child's birth certificate.

- Ongoing liaison with General Register Office to use existing and new legal gateways to report suspicious copy certificate applications, and with UK Visas and Immigration to report suspected sham marriages.
 - Copy certificate processing function transferring to Hampshire Record Office (HRO) from 1st October 2014. This will support income generation within HRO, whilst ongoing governance of the statutory element of the service will remain within registration remit as part of a new partnership agreement.
5. All of the arrangements outlined in this report put Hampshire County Council in the vanguard of leadership of partnership working to improve customer service and operate in an efficient and resilient manner.

6. Recommendation

- 6.1. That the information within the report is noted by the Panel.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This report contains routine updates on services being progressed and therefore an Equalities Impact Assessment has not been considered necessary in the development of this report.

2. Impact on Crime and Disorder:

2.1. The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

3.1. The shared services arrangements will not have a direct impact on our carbon footprint and energy consumption.