



3C Shared Services is a strategic partnership between Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council

VERSION 1.12

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

Executive Summary

This report provides a summary of the progress, benefits realised and examples of work we have undertaken in 2018 to take account of the founding objectives and operational requirements of the partners.

During 2017/18 the services have moved into a more steady operational state with business plans in place and agreed for 2018/19, which outline the way in which improvements will be delivered whilst identifying future areas for development.

The financial benefits of operating shared services are showing fruition and although some re-profiling of the financial benefits was carried out the 15% savings identified in the original business case are realistic and achievable.

All the services now have Senior Managers who are embedded in the services and this has resulted in a number of strategies being produced and approved by all three partners ensuring that services have appropriate plans in place and these are suitably aligned with organisational priorities to deliver against the priorities of the three partners.

With many of the organisational changes within the 3C Shared Services now delivered it provides the foundation to add further value, reduce operating costs, further improve service delivery as well as increasing resilience.

The increased collaborative working between partners is assisting in delivering the benefits set out in the original business plans with the model of 'buy once use three times' providing increased benefits to all partners. The reduction of IT systems and corresponding support required to maintain systems is an example of how the principles in the original business plans are being delivered.

1.0 Background

- 1.1 In July 2015, Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council each approved a model for sharing Legal, Building Control and ICT services. The three services went live within 3C Shared Services in October 2015 with a commitment to provide an Annual Report.
- 1.2 The Shared Internal Audit Service forms part of the Greater Cambridge Shared Services (2Cs). The business case for a Shared Internal Audit Service (SIAS) between Cambridge City Council and South Cambridgeshire District Council was approved by both Councils in 2017. The service went live in December 2017.
- 1.3 The overarching Shared Service performance is monitored through the Greater Cambridge Shared Services Management Board (containing the lead directors from each authority), Greater Cambridge Chief Executives Board and 3C Joint Advisory Group (comprising of the leaders of each of the Councils).
- 1.4 The service business plans for the Shared ICT, Legal and Internal Audit services were approved by the Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council committees in March 2018. The business plans provide information on the priorities, key performance indicators and budgetary profiles for 2018/19.
- 1.5 All the services now have Senior Managers who are embedded in the services and this has resulted in a number of strategies being produced and approved by all three partners, ensuring that services have appropriate plans in place and these are suitably aligned with organisational priorities to deliver against the priorities of the three partners.
- 1.6 With many of the organisational changes within the Shared Services now delivered it provides the foundation to add further value, reduce operating costs, further improve service delivery as well as increasing resilience in the future.
- 1.7 The increased collaborative working between partners is assisting in delivering the benefits set out in the original business plans.
- 1.8 During 2017/18, a number of items identified in the original business cases have been agreed:
 - A Single ICT Strategy
 - A Single Technology Roadmap
 - Building Control Marketing Plan
 - 3C ICT, Legal and Building Control Business Plans

1.9 The focus remains on the shared services providing value for money to the three authorities with the business plans. The ICT, Legal and Building Control business plans for 2018/19 have been finalised and approved by individual partners committees.

2. Recommendations

2.1 The Executive Councillor is recommended to:

- Note the content of this report

3.0 3C Legal Service Annual Report 2017/18

3.1 Background

3.1.1 3C Legal Service, known as 'The Practice', was set up in October 2015 with the following objectives:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced management costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in delivering the service.
- Opportunities to generate additional income, where appropriate.
- Procurement and purchasing efficiencies.
- Sharing of specialist roles.

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

3.1.3 At the time, each council had an issue around the recruitment and retention of legal staff and was increasingly reliant upon external providers to meet its needs, especially on major projects. Nationally, standalone legal services teams were facing challenges to maintain a staffing level that provides the specialists they need across a wide range of legal disciplines; this was becoming increasingly difficult as legal budgets reduced. 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.

3.1.4 The combined budget of the legal services for the three partner authorities before setting up the Practice was £1,444,000 and a savings target of £179,000 was targeted for 16/17; the equivalent of a reduction of 15% of the net revenue budget after income has been applied.

3.2 General Progress to Date

3.2.1 The Practice has been through considerable change during 2017/18, this included:-

- A. Introduction of time recording software.
- B. The use of a consumption based model to assist with transparency.
- C. Revising the accommodation and operating arrangements.
- D. Decreased reliance on locum and agency staff.

With all these now in place, the Practice is working flexibly from one main office location at Cambourne and two office hubs based at the Guildhall Hall and Pathfinder House. This has assisted the service in moving from a transition state to a stable shared service.

3.2.2 The Practice has made savings identified in the original business case. For the financial year 2017/18 the Practice has delivered a surplus of £39k which represents a significant improvement on 206/17.

3.2.3 With the Practice now operating from a stable platform in terms of location and budgetary position recruitment has been successfully undertaken to senior positions below the Principal Lawyers. Two appointments in litigation will directly replace the use of long term locums and interviews are scheduled over the coming weeks for a senior position in the Property Team. The introduction of IR35 for locum/temporary staff has helped to make in-house positions more attractive to the market which has allowed the Practice to attract the right type of candidate to make full time appointments to its structure. In overall terms this will boost stability and benefit the clients through improved performance.

3.2.4 Work has been completed to analyse demand from partner services on the legal service. With the use of IKEN case and time management software and a new recharging model based on consumption of resources by each partner authority. Work is being carried out with service departments to try and reduce demand where appropriate. In overall terms consumption figures are showing that budgetary contributions by all the partner authorities are close to equating to consumption. This will continue to be monitored as will any sectors where increased demand on legal may require additional resource.

3.2.5 The Practice has also added value to a variety of key projects for all partners during 2017/18, notably:

- Advising all the authorities on the Combined Authority including advice on consent for additional regulatory enablement.
- Involvement in work for Cambridge City Council on injunction relating to unauthorised punt operators using the council's riverside land, including land at Garret Hostel Lane.
- Advice has been provided to South Cambridgeshire District Council in relation to major land acquisitions.
- Legal advice has been provided to all partners in relation to unauthorised occupation of land by Travellers.
- Working with developers and shared ownership leases.

3.3 Finance

3.3.1 The Outturn for 2017/18 is as follows:

| £ | Budget | Actual | Variance/Outturn |
|-------|-----------|-----------|------------------|
| Legal | 1,149,140 | 1,110,003 | 39,137 (surplus) |

3.3.2 The combined budget of the legal services for the three partner authorities before setting up the Practice was £1,444,000 and a savings target of £179,000 was targeted for 16/17; the equivalent of a reduction of 15% of the net revenue budget after income has been achieved.

3.4 Customer Feedback

3.4.1 During 2017/18 work has been undertaken to develop the role of the Intelligent Client with regular meetings established with all partners. KPI's are positive with staff meeting and in the latter part of the year exceeding time recording hours' targets. Customer complaints remain below target.

3.4.2 Further work is required on measuring customer satisfaction in a meaningful manner and will be developed in 2018/19.

4.0 3Cs ICT Shared Service Annual Report

4.1 Background

4.1.1 3Cs ICT was set up in October 2015 with the following objectives:

- Create a shared IT Applications Systems and technical infrastructure to facilitate wider shared service delivery for all Council Services.
- Reduce overall IT costs.
- Provide a service that can proactively engage with users and has the "critical mass" to develop innovative and novel solutions to support the Councils in delivering services more efficiently.
- Provide increased resilience and capacity to enable the consistent and reliable service delivery required for digital service delivery to the public.

- 4.1.2 Although there were some differences in how each of the three Council's ICT teams operated, they were facing similar challenges for the future - namely, how to manage with fewer resources, yet provide the high quality ICT support and development that Councils rely upon. Each Council also recognised the need for a change of culture in the commissioning and delivery of ICT services, particularly as regards the need to develop modern practices, processes and systems and to put in place the IT systems, that enable a more cost effective, flexible and customer focussed approach to service delivery.
- 4.1.3 The shared service was designed to provide a sustainable opportunity to stabilise and improve the ICT Service partner authorities already enjoyed. The proposal set out clear, specific and realistic measures by which participating authorities may achieve significant, recurring and long term efficiency gains. It also tackled the issue of lack of capacity in certain areas (for all three Councils) by creating a critical mass of staff that could be deployed more effectively. Another advantage of the proposal was that it would begin to address the issue of recruitment and retention in local authority ICT services by creating an organisation that offers greater opportunities for career progression.

4.2 General Progress to Date

- 4.2.1 The 3C ICT service has been through significant change during 2017/18:-
- A. Agreement on a Single Technology Roadmap, aligning back office systems across all 3 partners.
 - B. Agreement on a Single ICT Strategy.
 - C. Removal of contracted and interim staff.
 - D. Integration of the services that were previously provided by NPS in Cambridge City.
 - E. Establishing a single virtual digital team equipped to deliver the partner respective digital strategies.
- 4.2.2 There are on-going projects which will support the approach outlined above including:
- The Data Centre Consolidation Project (Final Stage)
 - Shared Planning ICT Solution (Implementation Stage)
 - Shared Waste Software (Implementation Stage)
 - Shared Housing Software (Procurement Stage)
- 4.2.3 One of the biggest opportunities identified for the service was to look at the digital offer across each authority and provide coordinated advice and support in shaping how digital services will be delivered in the future.

- 4.2.4 The customer is at the centre of this work ranging from the customer interface and their 'on-line' experience, whether they get the outcome they need, system design right through to digitally enabled applications. This reflects the changes in society and although at an early stage has also recognised that not all people have access to or are confident using digital channels.
- 4.2.5 The ICT staff retention has now improved following the shared service creation, which in itself brought uncertainty. Staff are working flexibly, with many staff operating flexibly from all three locations. The reliance on contracted and interim staff has been removed during 2017/18.
- 4.2.6 A single Virtual Digital Team is now in place across all three partners working to improve the customer experience via the web. This will ensure that we are getting the economies of scale to deliver the efficiencies set out in the original business plan for the service.
- 4.2.7 3C ICT has added value to a variety of key projects for all partners during 2017/18, notably:

- The service has initiated a Shared Data Centre project which will save considerable cost for the 3 partners and improve the reliability, performance and availability of the server infrastructure. The project will also improve resilience in the event of a major disaster thus ensuring continuous uptime for IT systems and uninterrupted service to council staff and customers. This project is nearing completion with HDC on the new platform, SCDC 50% complete and efforts commencing in CCC. The project is planned to complete in the next few months.

This is a challenging project for the partners which will effectively unpick and disentangle the incumbent data centres. This is a challenging project and highlights the need for participation to achieve the savings detailed in the business case. This project itself represents 4% of the overall annual savings targets for the service.

- A project to review and overhaul the legacy infrastructure within CCC to provide an environment that will support future digital aspirations and provide greater resilience is 95% complete. The team has conducted an extensive survey of the existing environment and suggested improvements that will allow staff to work more efficiently and effectively across all of the Cambridge City locations.
- 3C ICT has been providing desktop support services and supporting the Combined Authority with their move into new offices at Alconbury Weald.

- The project team within the service are supporting the project management of the shared planning service to provide a consolidated platform for the new shared initiative and to allow staff to work effectively supporting the service across South Cambridgeshire and Cambridge City.
- Cambridge City was awarded their Public Service Network Certificate of Compliance in September.
- 3C ICT have initiated the Council Anywhere project and are currently out to tender for the hardware and software element of this project. The project is a fresh look at the entire desktop environment and is aligned with a variety of existing Council strategies around space, working flexibly and a desire to collaborate more effectively and efficiently. The project will deliver significant people, member, process, shared service and organisational benefits. As well as these benefits the project represents a complete modernisation of the existing desktop environment with standardisation built in by default. Engagement with staff has started already and the project team is comprised of a partnership wide team all focussed on delivering maximum benefit to the partnership. The project will be run in phases and likely conclude sometime in 2019.
- 3C ICT have been working with the Car Park service and the supplier for the new solution. During the project 3C ICT have also spotted opportunities for improvement, for example providing a new network for Grafton Centre Shop Mobility office, protecting circuits by deploying UPS's and recommending the expansion of cabinets to deploy enable more equipment to be deployed. 3C ICT suggested an approach that will save the car park service over £360k over the next 5 years by adjusting the design of the solution to reduce the scope of Payment Card Industry (PCI) compliance.
- 3C ICT staff are actively involved in supporting the direction of emerging council digital strategies and a Virtual Digital team now exists across the partnership sharing innovation and development overhead within the team. This will in time support much greater online functionality, expanding the opportunities for the public to undertake business outside the standard working day.

4.3 Finance

4.3.1 The outturn for the 2017/18 year is provided below:

| £ | Budget | Actual | Variance/Outturn |
|-------|-----------|-----------|------------------|
| CCC | 3,102,395 | 3,042,903 | (59,492) |
| SCDC | 1,341,268 | 1,451,999 | 110,731 |
| HDC | 2,065,833 | 1,735,077 | (330,756) |
| Total | 6,509,496 | 6,229,979 | (279,517) |

The final outturn underspend is due to a one off payment for dual running of contracts as part of the Server Room Consolidation project which was not in the original budget. This resulted in a one off contribution from partners (as per the Project business case) of £299,000 in the year. With this extra ordinary element removed the total outturn against the revised business case is a positive £20,000.

- 4.3.2 A re-profiled business case was approved in February 2018 and a saving of £279,000 against the original base budgets was agreed. 3C ICT has saved an additional £45,000 above this during 2017/18 equating to a total saving of £328,000 against original baseline budgets. Whilst this is below the original business case target, it represents concrete progress, with a clear plan in place to achieve the original target of 15% saving on the starting budgets before the creation of 3C.
- 4.3.3 Partners are now paying 4% less for their ICT service under 3C ICT, a position that will improve as a number of cost consolidation projects are delivered in 2018 and beyond as part of the ICT Roadmap.
- 4.3.4 Moving forward 3C ICT are well placed for 2018/19. All posts in 2018/19 will be filled by permanent staff or interims within budget. This is forecast to yield circa £400,000 of staff savings against the original partner ICT running costs. Equally, specific projects to reduce costs and consolidate contracts will be realised in 2018 also resulting in circa £400,000 of service savings.
- 4.3.5 2018/19 budgets may further reduce through the Shared Planning project which will rationalise a number of core back office systems. The project is in an early planning phase making it difficult to predict which financial year savings will be realised.

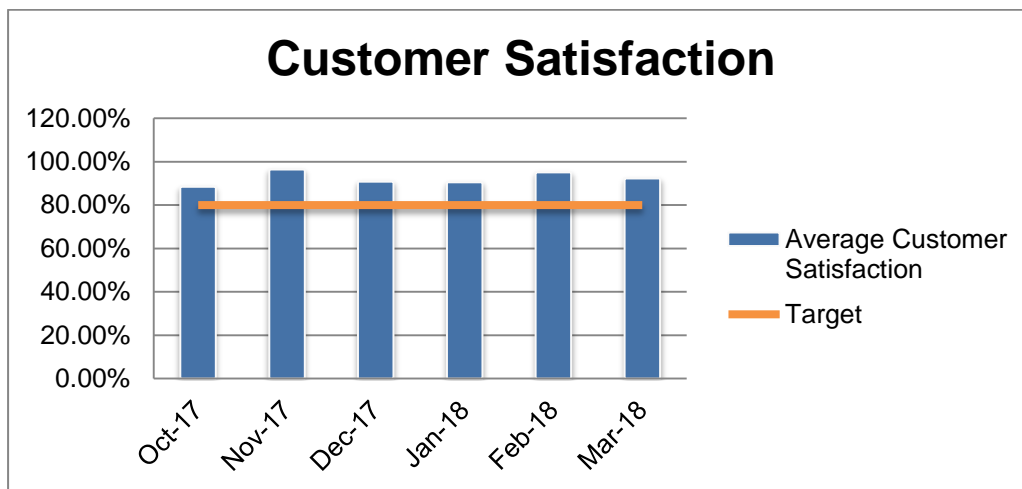
There are on-going projects which will support the approach outlined above including:

- The Data Centre Consolidation Project (Final Stage)
- Shared Planning ICT Solution (Implementation Stage)
- Shared Waste Software (Implementation Stage)
- Shared Housing Software (Procurement Stage)

4.4 Customer Feedback

- 4.4.1 Delivering business as usual is a major function of the service and following the approval of the 3C ICT Business case in November a revised set of KPIs has been established for the service. Customer satisfaction has improved and these are verified through ongoing feedback monitoring and the recent bi-annual survey. This is reflected in a steady improvement in the day to day ICT operational service. Considering the amount of change in this year it is a considerable achievement for the service.

4.4.2 Data collection is largely automated and driven from the Service Desk software but a number of measures are still very manual. Historical data is not always available for some of the measures but will build up over time.



4.4.3 A summary of the entire suite of KPIs is as follows as measured over the last 6 month period is detailed below. There is steady improvement within the day to day service delivery and plans to improve further.

| Reference | Description | RAG |
|-----------|--|-----|
| KPI-1 | Customer Satisfaction | □ |
| KPI-2 | Service Availability | □ |
| KPI-3 | Incident Performance | □ |
| KPI-4 | Service Desk Response | □ |
| KPI-5 | Service/Work Order Request Performance | □ |
| KPI-6 | Project Delivery Performance | □ |
| KPI-7 | Staff Budget Savings | □ |
| KPI-8 | Software and Services Savings | □ |

5.0 **3C Building Control Annual Report 2017/18**

5.1 **Introduction**

5.1.1 3C Building Control was set up in October 2015 with the following objectives:

- Protection of services which support the delivery of the wider policy objectives of each Council.
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service.
- Savings through reduced managements costs and economies of scale.
- Increased resilience and retention of staff.
- Minimise the bureaucracy involved in operating the shared service.
- Opportunities to generate additional income, where appropriate.

- 5.1.2 The creation of a shared service was envisaged to further improve capacity in certain areas (for all three Councils) by expanding the skilled team with management arrangements that enable resources to be deployed effectively and efficiently and the adoption of best practices and processes. Another advantage of the service was to address the issue of recruitment and retention in local authority building control services by creating an organisation that offers greater opportunities for career progression. This includes new posts to enable the recruitment of apprentices and graduates, as well as adopting a career grade for building control surveyors. The configuration of the new service also provides flexibility in the delivery of additional services such as street naming & numbering, considerate contractor scheme, construction monitoring and other potential fee earning opportunities.
- 5.1.3 The combined net budget of the non-fee-earning account of the building control services for the three partner authorities before setting up the shared service was £338,520 and a savings target of 15% equating to £51,000 was set. Fee earning figures could not be included in the calculation as this is ring fenced monies.
- 5.1.4 Given the commercial nature of the service only limited information has been included in this public Annual report. A detailed Business Plan for 2018/19 which contained more of the service detail was approved at partner committees in March 2018.

5.2 General Progress to Date

- 5.2.1 The Building Control service has made considerable progress during 2017/18 with the following delivered:

- A. Recruitment of permanent Head of 3C Building Control
- B. Marketing Strategy implemented
- C. Implement the ISO 9001: 2015 quality management system across the service

With all these now delivered the service is working flexibly across the whole area with office locations at the Guildhall in Cambridge and Pathfinder House in Huntingdon.

- 5.2.2 Recruitment to the service has been positive during 2017/18; there was a planned issue with resource and consequently service provision due to termination of agency contractors and the lag between recruitment and appointment of permanent members for the team.

The ability to recruit and retain qualified and experienced staff has been an on-going issue for the service in terms of delivery and financial benefits. It is important that the service retains the existing staff members; leadership and motivational techniques will become embedded within addition it is important

to ensure sufficient succession planning is in place. In order to achieve this, a full service review will be undertaken during the new financial year.

5.2.3 3C Building Control has added value to a variety of key projects for all partners during 2017/18, notably:

- The team are working on a number of schools within the 3C area including new buildings and extensions. The service has also provided consultation on school projects outside the area which will result in further applications under the Partner Authority scheme.
- The service continues to oversee many of the new homes on the Southern fringe developments at Clay Farm and Trumpington Meadows sites.
- The team continues to provide expert advice and support to several important developments on the Cambridge Biomedical Campus at Addenbrookes.
- The team are collaborating on the extensive £300M+ first phase development at North West Cambridge for the University of Cambridge, this includes the University Primary School, student accommodation, large supermarket and other retail units and 500+ residential units, nursery school and community facilities.
- The team has successfully tendered for the next phase of the New Museums Site in the centre of Cambridge.
- The service has entered a training contract with the CIOB (Chartered Institute of Building) to enable the professional membership of the team and to facilitate the provision of CPD (continuous professional development) opportunities for local agents and contractors to attend.

5.3 Finance

5.3.1 Income has remained stable over the last nine months and although less than the budgeted forecast the service has rationalised costs as much as possible to compensate.

5.3.2 The Financial Year 2017/18 ended with a loss of £25,696 to the fee earning account.

| Building Control | Budget £ | Actual £ |
|------------------|------------|-------------|
| Expenditure | -1,778,910 | -1,534,111* |
| Income | 1,779,400 | 1,534,113 |
| VARIANCE | | 2 |

**includes contribution from reserves as detailed below.*

5.3.3 The reserves at the beginning of 2017/18 were £310,233. The loss to the fee earning account of £25,696 has been deducted from these reserves. The starting position for the reserves for 2018/2019 is £284,537. The reserves are monies to be retained for works in progress from one financial year to another.

| 3C Building Control | 2017/18 | Overspend 2017/2018 | 2018/19 |
|---------------------|---------|---------------------|---------|
| Reserves | 310,233 | -25,696 | 284,537 |

5.3.4 The service will also undertake a review of the fees during the first quarter on the new financial year.

5.3.5 It is a requirement that each Council contributes to the non-fee earning account for all statutory works the service is unable to charge for. This currently equates to 30% of the work undertaken by the service. The budgeted contribution from each Council is detailed below, as the service rationalised expenditure this had a positive impact on the actual contribution from each council resulting in a total variance of £52,046.

| Contribution from Councils | Budget £ | Actual £ | Variance £ |
|-----------------------------------|-----------------|-----------------|-------------------|
| Cambridge City C | 202,140 | 179,462 | 22,678 |
| Huntingdonshire DC | 147,670 | 131,106 | 16,564 |
| South Cambridgeshire DC | 114,130 | 101,326 | 12,804 |
| TOTAL | 463,940 | 411,894 | 52,046 |

This is a much better position than the previous financial year (2016/2017) when the overspend to the reserves was in the region of £95,000.

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

| | Budget | Actual | Variance/Outturn |
|---------------------|---------|---------|------------------|
| 3C Building Control | 201,650 | 215,084 | 13,434* |

**Cost for Apprentice of £35,622 is included as an expenditure against the 3C Building Control budget however this should have been accounted in the corporate budget where the budget for Apprentices is currently underspent.*

5.3.7 During 2017/18 the market share for 3C Building Control was 53% with the Private Sector taking around 47%. Considering the pressures on resources during the early part of the year a planned business decision was made not to procure work that could not be fulfilled to the service standard.

5.4 Customer Feedback

5.4.1 The service has a variety of customers. Initial customer feedback was obtained from Agents in November 2017. This was a one off survey which will be repeated again during the new financial year. Response rate was 10%, considered satisfactory.

5.4.2 A series of questions were asked and the responses collated. This has informed the strategy for the service and fed into the business plan and marketing strategy.

| Question | RAG | Result |
|--|-----|-------------------------------|
| Does our service meet your needs? | ☐ | 75% confirmed yes |
| How would you rate our communications? | ☐ | 50% found them unsatisfactory |
| Would you use 3C again? | ☐ | 16% answered no |
| Would you recommend our service? | ☐ | 67% answered yes |

5.4.3 Customer feedback was also obtained from householders; this is forwarded at the completion stage of every project via an online survey. These are collated periodically and the responses informed the strategy for the service and fed into the business plan and marketing strategy.

| Question | RAG | Result |
|--|-----|---------------------------|
| How easy was it to understand the application process? | ☐ | 100% confirmed yes |
| How successful was your project? | ☐ | 87.5% confirmed yes |
| How easy was it to get hold of building control? | ☐ | 12.5% answered not at all |
| How helpful was your surveyor on site? | ☐ | 100% confirmed yes |
| Would you use 3C again? | ☐ | 75% confirmed yes |
| Would you recommend our service? | ☐ | 12.5% answered no |

5.4.4 With the new team members embedded into the service, focus will move towards increasing discretionary services in the new financial year.

The marketing of the service has been identified by the new Head of Service as a key area for its on-going success. A marketing strategy has been produced and is being implemented. Some of the activities underway are:

- Local Continuing Professional Development events have been held in the operational area for customers and citizens.
- Team members are participating in the planning roadshows hosted by South Cambridgeshire District Council.
- Team members also participated in a community event with Kiers at Northstowe.
- The service has 15 finalists in the 2018 LABC National Building Excellence Awards East Anglia region.
- Team members have presented for Anglia Ruskin University to students and to the University of Cambridge Architecture students.
- Social media activity is increasing with LinkedIn the next area to target.

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 apposite place to deliver further benefits set out in the original business plans.