

**CABINET
6 JULY 2021**

XENTRALL SHARED SERVICES ANNUAL REPORT 2020-21

**Responsible Cabinet Member - Councillor Charles Johnson
Resources Portfolio**

Elizabeth Davison, Group Director of Operations

SUMMARY REPORT

Purpose of the Report

1. This annual report allows Cabinet Members to review the progress and performance of Xentrall Shared Services, the Darlington and Stockton partnership.

Summary

2. Xentrall Shared Services, the Darlington and Stockton partnership, was established in May 2008 and is now in its thirteenth year. The Xentrall services are:
 - (a) ICT (strategy and operations)
 - (b) Transactional HR (payroll, pensions, recruitment, sickness absence)
 - (c) Transactional Finance (creditors, debtors, banking, schools finance)
 - (d) Design & Print (professional buyer, in-house design and print)
3. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership arrangement has delivered all these plus additional efficiencies and benefits and significant additional savings as reported to Members over previous years. At the same time the quality and performance of services have not been compromised but improved, with both customer and staff satisfaction increasing over the life of the partnership.
4. This is a significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both Councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.
5. In recognition of the on-going success of this public/public partnership, in 2015 both Councils agreed to amend the original ten-year partnership agreement into an on-going rolling arrangement, which continues to this day.

Recommendations

6. It is recommended that Cabinet note the report and acknowledge the continuing success of Xentrall over the thirteen years since it was formed.

Reasons

7. The recommendation is supported to allow Members to receive information about the progress of the partnership.

Elizabeth Davison
Group Director of Operations

Background Papers

No background papers were used in the preparation of this report.

Ian Miles: Extension 157012

S17 Crime and Disorder	There are no crime and disorder issues in this report
Health and Well Being	There are no health and wellbeing issues in this report
Carbon Impact and Climate Change	There are no carbon impact implications in this report
Diversity	There are no diversity issues in this report
Wards Affected	The issues in this report apply to all wards
Groups Affected	No particular groups are affected by this report
Budget and Policy Framework	The report does not propose changes to the budget or policy framework
Key Decision	The report does not require a key decision
Urgent Decision	The report does not require an urgent decision
One Darlington: Perfectly Placed	The subject matter of the report supports the Sustainable Community Strategy Note - the SCS is currently under review and is due to be considered further at a meeting of Council on 15 July 2021
Efficiency	The partnership will deliver significant savings for the council and these are built into the approved medium-term financial plan.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

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9. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten-year period of the partnership. The successful partnership arrangement has delivered all these plus additional efficiencies and benefits and significant additional savings as reported to Members over previous years. At the same time the quality and performance of services have not been compromised but improved, with both customer and staff satisfaction increasing over the life of the partnership.
10. This is a significant achievement for a public/public partnership and it compares very well to other private sector partnerships many of which have failed over the same period or been brought back in-house for a variety of reasons. Both Councils have benefited both financially and through a continued programme of service improvements brought throughout the lifetime of the partnership.
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VALUE FOR MONEY AND PERFORMANCE

12. Since the formation of the partnership in 2008, the financial situation in both Councils has changed significantly as a result of reductions in local government funding and Xentrall has continued to support both Councils in achieving a balanced Medium-Term Financial Plan. This has mainly been achieved through staff savings resulting from more efficient ways of working across the four service areas, with Xentrall staffing reducing by approximately 40% from its starting position.
13. In addition to cost reductions, all services undertake benchmarking exercises to ensure that quality is not compromised and to confirm that a balanced approach is used to measure improvements and success. Under normal circumstances, ICT, HR and Finance would regularly participate in national benchmarking exercises with other participating organisations which confirm our services are performing well in comparison to others. Similarly, Design & Print would undertake price comparisons with local and regional suppliers to confirm value for money of both services delivered in-house and those bought in. Pressures of the pandemic have meant that these benchmarking activities have been paused during 2020/21.
14. Xentrall is also subject to various internal and external audit regimes which also confirm the good performance and governance of its services. All thirty-two Xentrall control checks undertaken by the Council's Internal Audit team during 2020/21 have achieved a green assessment. This builds upon the consistent full assurance results achieved by Xentrall under the previous approach to audits. Together with a

number of successful external audits and certifications, this confirms the health, robustness and good management of the services across the partnership.

CUSTOMER SATISFACTION

15. As part of Xentrall's balanced scorecard approach to performance management, partnership-wide customer satisfaction surveys are undertaken every two years, and these involve canvassing service users and managers across both Councils. In addition, each of the Xentrall services seeks feedback and satisfaction levels as part of their daily service operations e.g. on an ICT call closure, HR recruitment or the take-on of a new academy's payroll. The main two-year survey was completed in June 2020 and both this and the daily low-level surveys confirm high levels of satisfaction, with the main survey showing our highest average customer satisfaction across Xentrall of 4.5 out of 5 (equivalent of 90% satisfaction).

2020/21 OPPORTUNITIES TAKEN & EXTERNAL BUSINESS RETAINED

16. Xentrall continues to explore new opportunities for external business as and when these arise, in-line with the partnership's objective of tactically growing the business. Accepting 2020/21 has been an unusual year, Xentrall HR have still taken on twelve new schools as they joined our existing academy trusts customers and also during the year ICT have undertaken additional development work for the Combined Authority. In addition, our existing external customers have been retained and have signed up to new service level agreements for the current year. These include:

- (a) All Xentrall services to the Tees Valley Combined Authority
- (b) Finance and HR services to the South Tees Development Corporation
- (c) ICT services and finance system to Tees Active Leisure Ltd
- (d) ICT services to the North East Purchasing Authority (NEPO)
- (e) ICT hosting services to Northumberland County Council
- (f) ICT services to Theatre Hullabaloo in Darlington
- (g) Payroll and/or finance services for 123 academy payroll groups
- (h) Payroll to Richmondshire District Council and Richmond Citizen Advice Bureau
- (i) Payroll to eleven Middlesbrough and seven Redcar & Cleveland schools
- (j) Payroll and Employer Support to Direct Payment Clients at Stockton
- (k) Bursary service to Stockton schools

17. Xentrall generated external annual income of over £1m continues to form a significant part of the overall Xentrall financial model and thereby reduce the Xentrall funding required by both Authorities.

2020/21 STOCKTON & DARLINGTON ACHIEVEMENTS

18. 2020/21 has been a year like no other and as well as providing essential services to our external customers and generating income, Xentrall continue to be a critical element in the continued effective functioning of both Councils. Xentrall have had a very busy time since the pandemic started last March when we got to grips with hurriedly mobilising both Councils as well as ourselves. March and early April were hectic times. A snapshot of the Xentrall activities and achievements is shown below.

Xentrall HR

- (a) Went live with phase 3 of payroll on ResourceLink for over 3,500 staff in Academies
- (b) Kept paying almost 17,500 people, whilst implementing an upgrade to ResourceLink
- (c) Quickly set up all of our own staff to work from home, including the testing of all required links to systems such as BACs and HMRC
- (d) Completed Year End on ResourceLink and the old PSE system
- (e) Set up emergency process for payment of staff in case of system failure
- (f) Successfully undertook a full-service consultation and restructure whilst working from home
- (g) Continued to grow external business

Xentrall Design & Print

- (a) Quickly implemented many changes within the department to allow for the design team to work remotely whilst still maintaining a safely operational production team on site. Many additional hours were required by all involved and the unit often was operating around the clock just to keep up with demand
- (b) Produced thousands of Covid-19 safety signs, floor markers, information notices and banners, as well as the supply and/or installation of hundreds of safety screens
- (c) Produced hundreds of daily critical information letters for different services via the re-directional postal service set up between D&P and the Post Rooms (circa 75,000 letters over the year)
- (d) Assisted with the Covid-19 test centres and Council run community or staff testing sites by producing mass targeted local leaflet drops and distributions to inform residents of key Covid-19 messages along with items such as directional signage and guidance packs
- (e) Supported essential community projects by producing items such as supportive information for the vulnerable, labels or menu sheets for the food boxes and key guidance in different languages
- (f) Supported the Tees Valley PCC and Mayoral elections with polling station safety signage along with safety signage and stage banners at the count venue
- (g) Helped both Council's Town Centres, public entertainment and health venues with safety messaging, display materials and promotional leaflets for re-opening
- (h) Continued to support "business as usual" services with provisions for daily/scheduled print items such as Landlord/Benefits letters, direct payments notifications and printed payslips, thousands of bus shelter timetables, vinyl

wraps for town centre shop window displays, lamppost banners, billboards and street bunting

- (i) Development of the Darlington Crest rebranding, the Hippodrome What's On guide and the Dolphin Centre 10 Pin Bowling publicity and most recently Stockton's SIRF

Xentrall Finance

- (a) Achieved all of the year-end processing to deadlines set before lockdown and despite staff being displaced
- (b) Completed year-end system changes and reconciliations working jointly from remote locations
- (c) Maintained service delivery on day to day processing to ensure Academies were supported, suppliers paid promptly, and customers billed accurately where direct debit collection is in place
- (d) Supported both Councils in processing grant funding payments to small businesses and retail, hospitality and leisure sectors. In a two-week window, Creditors processed over 2,900 payments totalling over £33m in state funded aid and all in addition to the usual supplier and interfaced payments
- (e) Put additional payment runs in place for Stockton, Darlington and Academies in to ensure money was paid to suppliers as soon as possible
- (f) Assisted both Councils in the set-up of payment systems to Support Hubs for vulnerable /shielded individuals who require assistance with shopping and medicines pick up
- (g) All teams have also continued to support business as usual whilst mostly working from home

Xentrall Schools Finance

- (a) Successfully completed the annual budget closure for Stockton schools
- (b) Undertook the above, whilst being rapidly mobilised and getting used to working with schools remotely from home

Xentrall ICT

- (a) Rapidly rolled out hundreds of laptops and Jabber iPhone installs across Stockton and Darlington, taking us to over 2,500 people using softphones instead of physical handsets
- (b) Implemented Microsoft Teams to the whole workforce across both Councils to enable better collaborative and remote working
- (c) Intensive behind the scenes work on the network, firewall, antivirus, remote connectivity infrastructure that supports a massive increase in remote workers, from originally around just over 100/day to now thousands of remote connections per day

- (d) Mobilised our Service Desk and associated systems to being home-based and assigning additional staff to help manage the upsurge in calls, with ICT staff pulling together and taking on roles they haven't previously experienced
- (e) Scoured suppliers for ICT kit, including elusive laptops and headsets
- (f) Delivered innovative IT solutions to enable both Stockton and Darlington Support Hubs to become a reality
- (g) Delivered innovative solutions to keep some large older service applications running and available in a remote working environment
- (h) Provided a stream of user information and self-help guides to support home working
- (i) Kept all the normal systems and services running that you'd expect on a daily basis from ICT, including upgrades, COVID-19 hot-fixes to systems and year-end processing
- (j) Continued to deliver Council-wide changes behind the scenes to improve the remote working experience whilst mitigating the risk associated with applying this to a fully remote workforce
- (k) And remained calm and level-headed throughout and ensuring the wrong decisions weren't taken due to pressures and urgency and a measured approach and the longer-term view prevailed, thus keeping the Council's systems and data safe

19. Since the UK restrictions came into place during March 2020, Xentrall have continued to provide a full range of services and underpin the vital functions of the Councils, whilst in addition, stepping up and providing additional services specifically in response to the pandemic situation. None of what we have achieved collectively could have been done without the dedication of all the teams across Xentrall and the years of investment in our systems, processes and most importantly the professionalism and skill of our staff. So much effort and additional hours have been put in and we continue to do so to ensure everything runs as seamlessly as possible. Acknowledgement must also go out to our service users who have co-operated and been understanding throughout. We've had some brilliant feedback.

20. All Xentrall services support transformational and service-based projects in both Councils through using technology and systems to improve all aspects of service delivery and the delivery of efficiencies. ICT alone have completed 25 service-based projects across Darlington and Stockton during 2020/21. These have been wide and varied and have ranged from a number of housing projects for Darlington to a waste Bot at Stockton and ICT infrastructure for the new Ingleby Barwick Leisure Centre. Shared projects also continue to be part of the benefit of the partnership, with a recent example being a joint development of a new Employee Protection Register IT system for Darlington and Stockton.

LOOKING FORWARD TO 2021/22 ONWARDS

21. As can be seen above, despite the pandemic the normal business of the day within Xentrall has continued throughout 2020/21 and is continuing into the current year. In addition to any new requirements resulting from both Council's response to the ongoing pandemic, Xentrall's projects for this year will include:
- (a) Xentrall overall will continue to help both Councils retain the benefits that have been gained through mass home working and to help exploit the technology enabled opportunities and innovation that have also arisen across services and with agile working
 - (b) HR will continue to develop and exploit the ResourceLink and MyHR HR/Payroll systems for the benefit of both Councils and our academy customers and the HR team will also continue to assess and take on new academy business as and when opportunities arise
 - (c) Finance will be implementing new BACS software, reviewing cheque stationary imagery, implementing virtual purchase cards as well as continuing to support and develop our use of the main financial system Business World On (aka Agresso)
 - (d) ICT will continue to support and develop the remote and agile workforce technologies as well as the all-important security protections which keep our systems and data safe. In addition, in conjunction with both Councils, ICT will further develop and roll-out new features within the Microsoft 365 suite of products which are helping a disperse office and home-based workforce collaborate and work effectively as teams.
 - (e) Design & Print will continue to support the many different service areas as required, however with the imminent restarting of events and venues being able to host shows, Design & Print will play a key role on both the marketing and production of supporting materials.
22. As with previous years, the continual service improvement mentality within Xentrall will be applied to leverage any further service improvements and/or savings for both Councils. Xentrall will also continue to assess new partnering and business opportunities as and when these arise, which fits in with its business plan of tactically growing the business and in turn help to support both Council's Medium-Term Financial Plans.