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**XENTRALL SHARED SERVICES ANNUAL REPORT 2017-18**

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**Responsible Cabinet Member - Councillor Stephen Harker**  
**Efficiency and Resources Portfolio**

**Paul Wildsmith, Managing Director**

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**SUMMARY REPORT**

**Purpose of the Report**

1. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and has just celebrated its tenth anniversary and the purpose of this report is to present the latest Xentrall Annual Report to Cabinet.

**Summary**

2. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and has just celebrated its tenth anniversary. The Xentrall services are:
  - (a) ICT (strategy and operations)
  - (b) Transactional HR (payroll, recruitment, sickness absence)
  - (c) Transactional Finance (creditors, debtors, banking, schools finance)
  - (d) Design and 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. The successful partnership has delivered all of these plus additional efficiencies and benefits and has made almost double the original targeted savings over the same ten year period. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the same period.
4. This significant achievement for what is a public/public partnership compares very well to other private sector partnerships many of which have failed over the same period. The foresight by both Councils at that time was ambitious,

but both have since enjoyed the financial and service rewards of a successful on-going partnership.

5. In recognition the on-going success of this public/public partnership, Members will recall that in 2015 they agreed to amend the original ten year period into an on-going rolling agreement.

### **Recommendations**

6. It is recommended that Cabinet note the report and acknowledge the success of Xentrall reaching its tenth anniversary and achieving almost double its original savings target of £7.4m.

### **Reasons**

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

**Paul Wildsmith  
Managing Director**

### **Background Papers**

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

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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	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

Efficiency

The partnership will deliver significant savings for the council and these are built in to the approved medium term financial plan.

## MAIN REPORT

8. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and has just celebrated its tenth anniversary. The Xentrall services are:
  - (a) ICT (strategy and operations)
  - (b) Transactional HR (payroll, recruitment, sickness absence)
  - (c) Transactional Finance (creditors, debtors, banking, schools finance)
  - (d) Design and Print (professional buyer, in-house design and print)
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. The successful partnership has delivered all of these plus additional efficiencies and benefits and has made almost double the original targeted savings over the same ten year period. At the same time the quality and performance of services have improved, with both customer and staff satisfaction increasing over the same period.
10. This significant achievement for what is a public/public partnership compares very well to other private sector partnerships many of which have failed over the same period. The foresight by both Councils at that time was ambitious, but both have since enjoyed the financial and service rewards of a successful on-going partnership.
11. In recognition the on-going success of this public/public partnership, Members will recall that in 2015 they agreed to amend the original ten year period into an on-going rolling agreement.
12. In recognition of the significance of the ten year milestone, an event was held for the Xentrall team which reflected on the pre-Xentrall partnership preparations and decisions that took place in the years preceding its formation in 2008. It also covered the challenges of the early days of Xentrall, the main achievements over the ten year period and took the opportunity to outline the developments and challenges ahead. A training session took the opportunity to reaffirm our approach to customer service across all teams. The event was a success and on a continued Xentrall trend of charity giving, a raffle was held and raised funds for the Mayor's charities at both Councils.

### Value for Money and Performance







13. Over the ten years 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% over the same period.

14. 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. ICT, HR and Finance participate in national benchmarking exercises with other participating organisations which confirm our services are performing well in comparison to others. Similarly, Design and Print undertakes price comparisons with local and regional suppliers to confirm value for money of both services delivered in-house and those bought in.
15. Xentrall is also subject to various internal and external audit regimes which also confirm the good performance and governance of its services. All 2017/18 Xentrall specific internal audits have received full assurance.

### Customer Satisfaction

16. 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 or the take-on of a new academy’s payroll. All surveys are confirming high levels of satisfaction with an on-going upward trend. The table below shows the summary results of the most recent surveys. The next satisfaction survey will be undertaken later this year.

	<b>Xentrall Customer Satisfaction (score out of 5)</b>	
	<b>Darlington</b>	<b>Stockton</b>
<b>2018/19</b>	TBA	TBA
<b>2016/17</b>	4.3 	4.3 
<b>2014/15</b>	3.9 	4.1 
<b>2012/13</b>	3.7 	4.0 

### 2017/18 Opportunities Taken and External Business Retained

17. Xentrall has continued to explore new opportunities for external business in-line with the partnership’s objective of tactically growing the business. This has resulted in the following successes:

- (a) Xentrall HR were successful in winning and subsequently delivering the payroll service for 19 new schools and academies during 2017/18. This helps counter academies which have joined Multi Academy Trusts which have their own in-house services and have therefore withdrawn from the Xentrall service.
- (b) Xentrall HR also won the re-tender of Richmond Council's payroll service.
- (c) Xentrall Finance are also delivering finance services to 2 new schools.
- (d) Both Xentrall HR and Finance services are also now being delivered to the South Tees Development Corporation.

18. As well as the above new activities, existing external customers have been retained and have signed up to new service level agreements for the current year. This is a significant achievement and a reflection of the value of Xentrall services. These include:

- (a) All Xentrall services to the Tees Valley Combined Authority.
- (b) ICT services to Tees Active Leisure Ltd.
- (c) ICT services to Tees Valley Connexions.
- (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 to 85 academy customers overall.

19. Xentrall generated external annual income of around £1¼m continues to form a significant part of the overall Xentrall financial model.

### **2017/18 Stockton and Darlington Achievements**

20. As well as providing services to external customers and generating income, Xentrall have continued to be busy delivering projects across Stockton and Darlington Councils.

- (a) Supporting the proposal to develop a Regional Adoption Agency for the Tees Valley and the subsequent delivery of ICT, Design and Print, HR and Finance services to set up and support the newly created Adoption Tees Valley service.
- (b) Xentrall ICT and Design and Print supporting the national election in June.
- (c) Finance successfully implementing the new version of Agresso (now called Business World On!). A major achievement as this was the first

major upgrade since 2010.

- (d) Finance again implementing new cash receipting and income management systems at Stockton and upgrading similar systems at Darlington.
- (e) HR supporting major recruitment campaigns throughout the year, including the take-on of staff for the Hippodrome Theatre at Darlington.
- (f) HR undertaking a major project for the procurement and implementation planning of the replacement of the PSE HR/Payroll system which will take place later in 2018/19.
- (g) Design and Print continuing to support numerous high profile projects and events across both Councils including; Dolphin Centre 35 Years branding, Hippodrome opening season publicity materials, Globe external graphics, 150 Years of DBC, Stockton Borough project signage as well as delivering other design and production projects during the year which include the annual events of Stockton SIRF, Darlington Festival of Ingenuity and Stockton Stages.
- (h) Design and Print also manage the print production of Stockton News and One Darlington household magazines.
- (i) ICT rolling out the new Vodafone mobile voice and data contract across both Councils.
- (j) ICT maintaining and successful retaining ISO, PSN and PCI certifications for both Councils.
- (k) ICT improving governance and security measures and awareness across both Councils including the delivery of improved risk management processes, improved password standards and the delivery of roadshows and briefings to teams.
- (l) ICT advising both Councils on the recommended approach for future desktop application provision using Microsoft 365.
- (m) ICT rolling out a new system to more efficiently and securely manage both Council's mobile phone estate.
- (n) ICT replacing the data network and the firewall technologies within the data centre which is key to the functioning of the wider networking and ICT services as a whole.

(o) ICT successfully deploying tablets and smartphones to all adult social workers in both Councils, thereby enabling smarter mobile working and realising efficiencies.

(p) ICT also supporting an upsurge in tablets and smartphones

21. As with the specific social care project mentioned above, all Xentrall services support the transformation and service based projects in both Councils and help with smarter working through technology to improve all aspects of service delivery and the delivery of efficiencies. ICT alone have completed 50 service based projects across Darlington and Stockton.

22. A further achievement worthy of note were the national awards presented to Design and Print by APCOM (Association of Print and Communication Managers). Design and Print were runner-up in both Best Creative Design and Best Wide Format awards for two projects in Stockton.

### **Looking Forward to 2018/19 and Onwards**

23. The current year will continue to be a busy one for all four of the Xentrall services. The “day job” involves delivering ICT systems to and supporting 4,500 ICT users, managing a payroll of 15,000, processing thousands of invoices and managing a very busy design and print studio. On top of this, amongst the many projects to be undertaken, significant ones will include:

(a) Implementing and exploiting the new HR/Payroll system for both Councils, the TVCA and all academy and external customers.

(b) The deployment of Microsoft 365 as the new standard desktop software and assisting users of ICT with the exploitation these new facilities bring.

(c) The continued investment in raising awareness on information security matters and minimising the associated risks both Councils face, whilst also retaining ISO, PSN and PCI certifications.

(d) Continuing to engage with external customers to retain this business.

24. 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.