

# Shared Services Joint Committee

## Agenda

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<b>Date:</b>	<b>Wednesday, 31st March, 2010</b>
<b>Time:</b>	<b>10.00 am</b>
<b>Venue:</b>	<b>Fred Flint Room, Westfields, Middlewich Road, Sandbach CW11 1HZ</b>

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**

To note attendances, substitutes, and any apologies for absence.

2. **Public Speaking Time/Open Session**

Members of the public are entitled to address the Joint Committee on reports contained within the agenda. One person can speak in support of each item, and one against, with a limit of three minutes each. It would be helpful if any person wishing to speak would give prior notice to the Democratic Services Officer named below.

3. **Minutes of Previous meeting** (Pages 1 - 6)

To approve the minutes of the meeting held on 12 March 2010.

4. **Transitional Shared Services Update - Archaeological Service and Drug and Alcohol Action Team** (Pages 7 - 10)

To consider an extension to these two shared services.

5. **International Unit** (Pages 11 - 16)

To consider the cessation of this shared service.

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For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

**Contact:** Cherry Foreman

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6. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**PART 2 – MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT**

7. **International Unit** (Pages 17 - 22)

To consider the report of the Borough Treasurer and Head of Assets Cheshire East, and the Director of Resources Cheshire West and Chester.

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Shared Services Joint Committee**  
held on Friday, 12th March, 2010 at West Committee Room - Municipal  
Buildings, Earle Street, Crewe, CW1 2BJ

**PRESENT**

Councillor P Mason (Chairman)  
Councillor Ford (Vice-Chairman)  
Councillors F Keegan, Jones and Short

Substitute: Councillor A Knowles.

Officers in attendance:

Borough Treasurer and Head of Assets (Cheshire East Council)  
Director of Resources (Cheshire West and Chester Council)  
HR Lead Business Partner (Cheshire West and Chester)  
ICT Manager (Cheshire East)  
Legal Services Team Manager (Cheshire East)

**47 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor David Brown.

**48 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no questions from members of the public.

**49 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on 3 February 2010 were approved as a correct record.

**50 PARTNERSHIPS, COMMERCIAL ARRANGEMENTS AND THEIR RELATIONSHIP TO SHARED SERVICES**

Consideration was given to a business development opportunity, initially for data sharing facilities, with Warrington Borough Council. As well providing information on the specific business opportunity with Warrington Borough Council the report detailed the wider possibility of developing other commercial opportunities, partnerships and joint ventures, and to the need to develop frameworks for those relationships.

The Committee was concerned at the short time period available in which to fully investigate the Warrington Borough Council opportunity. An operational implementation date in April 2010 was being sought and this was considered to be insufficient time in which to explore the detailed legal

and financial implications and the risks associated with a new venture of this kind.

In order to assist Warrington Borough Council in its short term needs it was agreed that the matter could be accommodated under a licence arrangement; this would then enable the detailed matters associated with longer term contracts to be fully explored.

The Committee also agreed that the development of commercial opportunities, partnerships and joint ventures in general should be considered in more detail at a future informal Visioning Session.

**RESOLVED**

1. That, in order to support the development of a long-term relationship with Warrington Borough Council, the commercial opportunity be progressed in the short term by way of a short lease and that the terms and conditions of this be approved by the Chairman and the Vice Chairman.
2. That the Committee give further consideration to the development of a framework for developing partnership and commercial opportunities at its next Visioning Session.

**51 ROTATION OF COMMITTEE CHAIRMANSHIP**

Members were asked to note that in accordance with the Constitution the Chairmanship of the Joint Committee was due to change from Cheshire East Council to Cheshire West and Chester Council, with effect from the first meeting to be held in the 2010/2011 municipal year. In addition the administration and location of the meetings would also transfer to Cheshire West and Chester Council.

**RESOLVED**

That the report be noted.

**52 TRANSITIONAL SHARED SERVICES UPDATE**

Consideration was given to an update which included proposals for early disaggregation and transition, structure and location changes, and extensions to transitional shared services. In addition the Committee was asked to formally approve the ICT Business Plan.

**RESOLVED**

1. That members approve the proposed changes to the shared service arrangements for Sensory Impaired Services, Student Finance and the Learning Resource Network

2. That the ICT Business Plan be approved as the basis for the operation of the ICT Shared Service for 2009/10, recognising that it would be revised for the next financial year.

**53 ADDITIONAL ITEM OF URGENT BUSINESS - PROPOSED EXTENSIONS TO TRANSITIONAL SHARED SERVICES AND THE HIGHWAYS AND GEOTECHNICAL LABORATORY**

*The Chairman agreed to this item being considered as an item of urgent business as the transitional services involved were scheduled to end on 31 March 2010 and the Highways and Geotechnical Laboratory Review was part of the urgent item to be considered in part 2 of the agenda. An urgent decision was needed to ensure that these shared services had a sound legal basis for continued operation after 31 March 2010.*

Consideration was given to an update on transitional shared services and to the reasons for extending the sharing arrangements for the Youth Offending Service and CBS Supplies. The position in respect of the Highways and Geotechnical Laboratory was highlighted; it was noted that the report arising from the strategic review of this service was appended to the item considered in part 2 of the agenda (minute no 58 refers).

**RESOLVED**

1. That members approve extensions of the legal sharing arrangements for 6 months until 30 September 2010 for the following shared services:
  - Youth Offending Service
  - CBS Supplies
2. That the findings and recommendations of the strategic review undertaken for the Highways & Geotechnical Laboratory shared service, attached as an Appendix to the report at minute no 58 of this agenda, be approved.

**54 EXCLUSION OF THE PRESS AND PUBLIC**

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**55 STAFF REDUCTION - SENSORY IMPAIRED SERVICE**

Consideration was given to the joint report of the Borough Treasurer and Head of Assets Cheshire East Council, and the Director of Resources Cheshire West and Chester Council.

RESOLVED

That approval be given to the recommendations of the Joint Officer Board that the application for voluntary early retirement without redundancy, as detailed in the matrix, be approved with effect from 31 March 2010 (noting that responsibility for the costs associated with this decision are to be funded solely by Cheshire West and Chester Council, rather than jointly).

**56 STAFF REDUCTION - STUDENT FINANCE**

Consideration was given to the joint report of the Borough Treasurer and Head of Assets Cheshire East Council, and the Director of Resources Cheshire West and Chester Council.

RESOLVED

That approval be given to the recommendation of the Joint Officer Board that the applications for Voluntary Redundancy, as detailed in the matrix, be approved with effect from 31 March 2010.

**57 STAFF REDUCTION - HUMAN RESOURCES AND FINANCE**

Consideration was given to the joint report of the Borough Treasurer and Head of Assets Cheshire East Council, and the Director of Resources Cheshire West and Chester Council.

RESOLVED

That approval be given to the recommendation of the Joint Officer Board that the application for voluntary redundancy as detailed in the matrix be approved with effect from 30 March 2010.

**58 ADDITIONAL ITEM OF URGENT BUSINESS - STAFF REDUCTION - GEOTECHNICAL LABORATORY**

*The Chairman agreed to this item being considered as an item of urgent business. It was desirable for the voluntary redundancy process to be finalised by 31 March 2010 and any delay in considering this matter would result in that timescale not being achieved.*

Consideration was given to the joint report of the Borough Treasurer and Head of Assets Cheshire East Council, and the Director of Resources Cheshire West and Chester Council.

Members sought clarification regarding the figures in paragraph 2.2 of the strategic review report. It was agreed that this should be provided to the Chairman and to the Borough Treasurer and Head of Assets Cheshire East Council.

RESOLVED

That approval be given to the recommendation of the Joint Officer Board that subject to satisfactory clarification in respect of the figures in paragraph 2.2 of the strategic review report, the applications for voluntary redundancy as detailed in the matrix be approved with effect from 31 March 2010.

The meeting commenced at 10.00 am and concluded at 11.15 am

Councillor P Mason (Chairman)

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## **CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL**

### **REPORT TO: SHARED SERVICE JOINT COMMITTEE**

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<b>Date of Meeting:</b>	31 March 2010
<b>Report of:</b>	Cheshire East – Borough Treasurer & Head Of Assets Cheshire West & Chester – Director of Resources
<b>Subject/Title:</b>	Transitional Shared Service Update: Archaeological Service and Drugs and Alcohol Action Team - Shared Services Report regarding proposed extensions to transitional shared services

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#### **1.0 Report Summary**

- 1.1 This report provides an update on activity relating to transitional shared services and outlines the reasons to extend the sharing arrangements for two services.

#### **2.0 Decision Requested**

- 2.1 That members approve extensions of the legal sharing arrangements to the following services as indicated:
- Drug and Alcohol Action Team (DAAT) – 1 month to 30<sup>th</sup> April 2010
  - Archaeological Planning and Advisory Service – 3 months to 30<sup>th</sup> June 2010
- 2.1 That members approve the revision of the appropriate contractual documents (Service agreements and Secondment agreements) to reflect any agreed extensions to the DAAT and the Archaeological Planning and Advisory Services.

#### **3.0 Reasons for Recommendations**

- 3.1 The proposed changes for these services have been agreed with operational managers from both councils and the shared service managers in accordance with the general shared service governance.
- 3.2 The changes in both services are to allow for the transition to alternative service delivery arrangements which cannot be achieved by 31<sup>st</sup> March 2010.

#### **4.0 Wards Affected**

- 4.1 This report relates to shared services that operate across both Cheshire East and Cheshire West and Chester so all wards are affected in both councils.

**5.0 Local Ward Members**

5.1 Not applicable

**6.0 Policy Implications including - Climate change  
- Health**

6.1 None

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 The DAAT is wholly funded by grant and therefore no further costs should be incurred by Cheshire East and Cheshire West and Chester in the event of an extension being granted.

7.2 For Archaeological Planning and Advisory Services, the business plan for 2009-10 indicates that net costs of £275,472 were anticipated for the shared service. Assuming that the service continues in its current form for a further three months, an ongoing cost of approximately £68,868 will be incurred in order to extend the shared services. The cost will be split as follows:

- 60% payable by Cheshire West and Chester, i.e. £41,320
- 40% payable by Cheshire East, i.e. £27,548

The extension of this funding will mean that there is no requirement to fund alternative arrangements for this period. While no figures are available for this at this time, it is not anticipated that this extension will incur additional cost to either Council.

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 For those services where the sharing arrangement is extended, the contribution of each Council will need to be considered through an updated business plan that will need to be agreed by both Councils

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 As the sharing arrangements for these shared services are being revised, the following legal documents will need to be revised:

- The Service Agreements for these services
- The secondment arrangements for these services

9.2 The Administrative Agreement sets out the overall arrangements in relation to the manner in which the authorities work together.

9.3 A formal resolution of this Committee is necessary to provide a legal basis for the extension of a shared service

**10.0 Risk Management**

- 10.1 There is a risk that, where services are being extended, they do not deliver the required operational and financial outcomes required by both Councils. This will be monitored by the Joint Officer Board and Joint Committee.

## **11.0 Background and Options**

- 11.1 Legal arrangements, business plans and service delivery statements have been developed for all shared services and presented to the Joint Officer Board and the Joint Committee.
- 11.2 The Business Plan supplements the Service Agreement. It provides details of the Shared Service operation, plans and investment for the next three years. However, the requirements beyond the first year of operation are subject to change as each Council further develops their needs and objectives. As such, the Business Plan is subject to yearly review and amendment as appropriate.
- 11.3 The Service Delivery Statement sets out the measures by which the shared service performance will be assessed, including performance indicators and benchmarks.
- 11.4 All services are now working in accordance to these agreements and plans, delivering services to both Councils under the guidance of the Joint Officer Board and the Joint Committee. However, as work progresses, the need to extend some of the shared service arrangements is being identified, as outlined in the following sections.

## **12.0 Drug and Alcohol Action Team**

- 12.1 The Drug and Alcohol Team (DAAT) is a transitional shared service scheduled to end on 31<sup>st</sup> March 2010 subject to a more appropriate long term model being put in place. The development of this model is well underway but this needs to be ratified by the DAAT Board which does not due to meet until early April 2010. Therefore a one month extension to the shared service arrangements is being requested to provide sufficient time for the transition to the new arrangements once ratified by this board.

## **13.0 Archaeological Planning and Advisory Service**

- 13.1 The Archaeological Planning and Advisory Service is a transitional shared service, scheduled to end on 31<sup>st</sup> March 2010 subject to a strategic review to determine the most appropriate long-term model for delivering these functions.
- 13.2 This review is almost complete with options for future service delivery identified for further consideration. A preferred option is likely to be agreed shortly before this meeting takes place but further work will be required to manage the service through any required transition.

Therefore a three month extension is initially being requested.  
However, if it transpires that this can be reduced an oral update will be provided at the meeting.

### **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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## CHESHIRE EAST COUNCIL

### REPORT TO: SHARED SERVICES JOINT COMMITTEE

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**Date of Meeting:** 31 March 2010  
**Report of:** David Wharton  
**Subject/Title:** Cessation of the shared International Unit  
**Portfolio Holder:** Cllr Peter Mason

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#### 1.0 Report Summary

- 1.1 This report requests the cessation of the shared International Unit with effect from 31<sup>st</sup> May 2010 with responsibility for its functions passing to the newly created prosperity commission which has the role of coordinating and integrating economic development, transport and housing. The Prosperity Commission will replace the existing Cheshire and Warrington Economic Alliance.

#### 2.0 Decision Requested

- 2.1 To agree to the cessation of the Cheshire East hosted International Unit with effect from 31<sup>st</sup> May 2010 and to grant the authority to make any consequential amendments to the legal documentation.

#### 3.0 Reasons for Recommendations

- 3.1 Recent changes to the sub regional architecture within Cheshire and Warrington have resulted in the creation of seven commissions. In summary the new structure will allow for:
- a more effective and focused sub-regional approach
  - a more effective and targeted use of local authority financial and staffing resources
  - potential savings
  - more effective sub-regional leadership, management and coordination
  - more effective interaction with and scrutiny of key agencies such as NWDA, the Homes and Communities Agency, GONW, the regional and sub-regional improvement and efficiency partnerships
  - More effective involvement with 4NW, the Regional Leaders Board.
- 3.2 The shared International Unit is subject to a strategic review. The Brussels accommodation sub lease is due to expire on 31<sup>st</sup> January 2011 and it is considered that the functionality that the unit currently

provides for both authorities can be provided by the newly forming prosperity commission.

#### **4.0 Wards Affected**

4.1 All wards are potentially affected by the proposal.

#### **5.0 Local Ward Members**

5.1 All Ward Members are potentially affected by the proposal.

#### **6.0 Policy Implications including - Climate change - Health**

6.1 The nature of the International Unit is such that it advises on, and lobbies on, the development of a number of EU policies that impact upon the region.

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 None

#### **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 The International Unit currently has an annual gross Budget of £200K and net budget of £160k . The table below shows the total International Unit budget in more detail and potential savings.

Budget	Total £k	CWAC £k	CE £k		2010/11 forecast £k	2011/12 forecast £k
Staffing	129.2	64.6	64.6		10	0
Premises	27.4	13.7	13.7		22.8	0
Transport	5	2.5	2.5		1	0
Supplies & Services	36	18	18		5	0
Gross budget	197.7	98.85	98.85		38.8	0
Income	(38)	(19)	(19)		0	0
<b>Net budget</b>	<b>159.7</b>	<b>79.8</b>	<b>79.8</b>		<b>38.8</b>	<b>0</b>
<b>Potential saving against current budget</b>					<b>120.9</b>	<b>159.7</b>

This budget is shared on a 50-50 basis between Cheshire East and Cheshire West and Chester. The budget includes annual accommodation costs of £27K. As a partner in the NW house accommodation in Brussels the International Unit has liability to these costs until the current sub lease rental agreement expires on 31<sup>st</sup> January 2011. . The impact of 10 months is approximately £23k.

- 8.2 The unit currently has 2.8 FTE of which there is 1FTE vacancy. The Brussels Officer is on a temporary contract that has recently been extended until 31<sup>st</sup> May 2010 to allow for consideration of this report and a structured closedown if appropriate. The cost of this extension is approximately £10k in total. The remaining post is subject to voluntary redundancy. Details of the Voluntary Redundancy are contained within the part 2 report titled: 'Shared Services – Staff Reduction International Unit'
- 8.3 The unit currently has three service level agreements: with the Cheshire Police Authority, Cheshire Fire & Rescue Service and the European Commission totalling £38K. This income will be terminated.
- 8.4 In 2010/11 potentially £121k, of the original budgets, will be available to support the Prosperity commission. In 2011/12 all of the International unit budget, £160k , will be available, if required, to fund Prosperity commission work.
- 8..5 Note that all of the above figures relate to the total Shared Service. 50% of the costs and potential savings shown will be attributable to Cheshire East.
- 8..6 Financial information has not been provided by the Prosperity Commission due to their reorganisation, but it is anticipated that their costs will not exceed available budgets for the International Unit.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 The Unit currently has a 4 year framework contract with the European Commission for the provision of information services as part of a Europe Direct Cheshire service. This contract can be terminated at any time with 60 days notice.

## **10.0 Risk Management**

- 10.1 The functionality of the prosperity commission is currently being developed and as such it will be important that both Cheshire East and Cheshire West and Chester have the appropriate influence into its priorities.

## **11.0 Background and Options**

- 11.1 The International Unit is a Cheshire East hosted shared service that provides specialist corporate support functions to CE and CWAC in order to optimise the benefits for services and residents in respect of EU legislation and policy developments, funding opportunities and partnership working.
- 11.2 The unit encompasses both Cheshire based (1.8FTE) and Brussels (1FTE) based officers. The Brussels Officer is accommodated in a shared North West Brussels Office jointly funded by the Northwest Development Agency and the 4NW including a separate Office funded by each of the 5 sub regions.
- 11.3 The main functions of the unit as detailed in the Business plan are:
- To enable a stronger, unified and effective voice and impact on EU policy and funding opportunities by delivering and promoting sub-regional cooperation to achieve a greater impact at NW regional, UK and EU levels than can be achieved by authorities working in isolation;
  - To provide an attractive vehicle to sustain existing, and encourage further partnership, SLAs and contacts by enabling EU, UK and sub-regional agencies (such as the European Commission, Cheshire Police Authority and Cheshire Fire and Rescue Service) whose interests cover a wider area than CE or CWAC separately, to contract with a Unit covering both CE and CWAC areas (and where appropriate the wider sub region) for services relating to EU policy, projects and funding.
- 11.4 The Brussels Office is currently located in NW House, co-located with other NW sub regional offices. The current lease (held by Wigan MBC) expires 31<sup>st</sup> January 2011.
- 11.5 Following several meetings where NWDA, 4NW and sub regional representatives have discussed the future of a North West presence in Brussels, NWDA developed an options paper detailing a proposal for a single coordinated presence for the NW in Brussels.
- 11.6 This would require relocation and development of a single presence by the end of 2010 with it being fully operational by April 2011 delivering cost savings for all partners.
- 11.7 A report was taken to Cheshire East Corporate Management Team requesting a decision to join the single presence. This was rejected as it was considered that as both Cheshire West and Chester and Cheshire East have supported the recent changes to the sub regional architecture that has resulted in the creation of the prosperity commission that the International Unit cease with responsibilities passed to the newly forming prosperity commission. It is anticipated that this option will deliver savings, but this is difficult to quantify due to



the lack of financial data available. The minimum expectation is that the costs will not exceed the current budget available for the international unit.

- 11.8 The prosperity commission is to coordinate and integrate economic development, transport and housing. The prosperity commission will replace the existing Cheshire and Warrington Economic Alliance which will undergo a review of its board and structure. There is a new private sector chairman and a new managing Director
- 11.9 The unit is subject to a strategic review to determine the future direction of the shared service and the functions it delivers to both Cheshire East and Cheshire West and Chester. It is considered that in light of this decision the Unit has a number of options:
- Retain the International Unit with the current costs and service: This provides the greatest amount of personal service but is also the most expensive.
  - Integrate the unit into a regional office: This has already been rejected by Cheshire East.
  - Cease the International Unit and transfer the functionality of the service into the newly forming Prosperity commission. For the reasons stated herein this is the preferred option.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 There are no issues

## **13.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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