Shared Services Joint Committee

Agenda

Date:	**Friday 24th November 2023**
Time:	**10.00 am**
Venue:	**The Council Chamber, Wyvern House, The Drumber, Winsford, CW7 1AH**

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 in the 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.   **Declarations of Interest**

     To provide an opportunity for Members and Officers to declare any disclosable pecuniary interests, other registerable interests, and non-registerable interests in any item on the agenda.

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

     To approve the minutes of the meeting held on 30 June 2023.

4.   **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.

Membership: Cheshire East Council - Councillors J Bird, P Redstone and J Rhodes
Cheshire West and Chester Council – Councillors P Donovan, C Gahan and K Shore.

Minutes of a meeting of the **Shared Services Joint Committee**
held on Friday, 30th June, 2023 in the The Council Chamber, Wyvern House,
The Drumber, Winsford, CW7 1AH

PRESENT:

Cheshire East Council: Councillors John Bird, Jill Rhodes (Chair) and
Patrick Redstone

Cheshire West and Chester Council : Councillors Paul Donovan,
Nathan Pardoe and Karen Shore

Officers in attendance:
Cheshire East Council:
Alex Thompson, Director of Finance and Customer Services
Garth Pawlett, Chief Information Officer
Heather Grove, Senior Manager, Business Development Assurance and
Collaboration
Julie Gregory, Legal Team Manager - Place/Corporate
Rachel Graves, Democratic Services

Cheshire West and Chester Council:
Simon Riley, Chief Operating Officer
Laurence Ainsworth, Director of Public Service Reform
Peter Lloyd, Head of Transformation and Technology
Catherine Salt, Senior Legal Manager

Shared Services Managers
Mark Leah, Team Leader - Cheshire Archaeology Planning Advisory Service
Paul Newman, Archives and Local Studies Manager
Kim Parks-Smith, Transactional Services Manager
Chris Samuel, Senior Manager – Emergency Planning.

1   **APPOINTMENT OF CHAIR**

   RESOLVED:

   That Councillor Jill Rhodes be appointed Chair for the municipal year
   2023/24.

2   **APPOINTMENT OF VICE CHAIR**

   RESOLVED:

   That Councillor Carol Gahan be appointed as Vice Chair for the municipal
   year 2023/24.

3 **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor C Gahan, with Councillor N Pardoe substituting.

4 **DECLARATIONS OF INTEREST**

No declarations of interest were made.

5 **PUBLIC SPEAKING TIME/OPEN SESSION**

No members of the public were in attendance and no questions had been submitted prior to the meeting.

6 **MINUTES OF PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 17 March 2023 be approved as a correct record.

7 **SHARED SERVICES 2022-23 OUTTURN: YEAR END REVIEW**

The Committee considered the summary of the 2022-23 year end performance for the Shared Services arrangements between Cheshire East Council and Cheshire West and Chester Council against agreed business plans.

There Committee was advised that the report included financial and non-financial performance information for the period 1 April 2022 to 31 March 2023 and provided a summary of each of the key areas of performance including the budget position, priorities and objectives, key performance indicators, and risks and issues across all of the shared services.

Attention was drawn to section 5 of the report, which detailed the overall budget and performance for each of the 5 shared services. Full details for each of the individual shared services were detailed in Appendix 1 to the report.

It was noted that Transactional Services has an overspend of £1,085,00 due to ongoing increased staffing costs and a loss of income from schools. It was anticipated that the Service Review would reduce the overspend in the new financial year. However additional temporary posts would still be required during 2023/24 to enable Unit 4 to continue to be developed and embedded for users.

ICT were also reporting an overspend of £1,637,000 due to reduced income from projects, loss of income from schools and the impact of higher inflation. Mitigation had been put in place with an underspend on

staffing but this was not in itself sufficient to offset the reduced income. Budgets for 2023/24 had been adjusted to reflect the loss of schools' business and a new model for ICT was being designed to achieve a sustainable position.

RESOLVED:

That the Committee note the Shared Services performance for 2022-23.

8 **SHARED SERVICE BUSINESS PLANNING - 2023/2024**

The Committee considered the Business Plans for 2023/24 for the five shared services.

The Committee's attention was drawn to the Business Plans for the 5 shared services attached at Appendix 1 to the Report. The Business Manager for the shared services were in attendance and each gave a short overview of their services plan.

In relation to the Transactional Services Business Plan, discussion took place around issues with Unit 4 and the problems being faced by schools and it was reported that changes in the system were being implemented so that there would be a clear set out process for schools to follow to raise any issues.

It was suggested that a glossary of terms should be included to help with the technical terms used in the reports.

RESOLVED:

That the Committee approve the Business Plans for the shared services for 2023/24.

9 **THE FUTURE MODEL FOR ICT: MOBILISATION UPDATE**

The Committee considered a report on progress to date on the Hybrid ICT programme.

A procurement process had been undertaken to secure a transformation partner to support delivery of the programme. Castlerigg Consultancy Ltd had been appointed to act as the programme director and they had commenced activity on the programme in early May with a series of stakeholder meetings and workshops.

A joint scrutiny task group to hold the Shared Services Joint Committee and the programme to account would be established. The final terms of reference would be endorsed by Members and the groups nominations had been sought.

The Committee asked for an update on the risks and details of the staff and TU engagement to be included in the next update report.

RESOLVED:

That the Committee note the latest update on the Hybrid ICT Programme.

The meeting commenced at 10.00 am and concluded at 11.40 am

Councillor J Rhodes

CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 24th November 2023

Report Title: ICT Shared Service Business Plan – 2023/24 Mid-Year Review

Senior Officer: Gareth Pawlett, CIO and Head of ICT Shared Services

1.   Report Summary

1.1   The report sets out the 2023/24 mid-year Business Plan position for ICT Shared Services.

2.   Recommendations

2.1   It is recommended that Members note the ICT Shared Service 2023/24 Business Plan mid-year update.

3.   Reasons for Recommendations

3.1   The Shared Service Joint Committee Administrative Agreement sets out (in Schedule 2 – Joint Committee Terms of Reference (page 31)) that the Joint Committee is responsible for approving business plans for shared services including targets, service quality, performance, and efficiency.

4.   Background

4.1   The ICT Shared Service Business Plan for 2023/24 follows the agreed simplified and risk-stratified approach to business planning implemented 2022/23 following the Shared Services Review.

4.2   The report provides a high-level overview of the budget position, priorities, performance against the agreed key performance indicators and associated risks. Further details are outlined in the ICT Shared Service Business Plan 2023/24 mid-year update attached at Appendix 1.

5.   Performance Overview

5.1   Budget

5.1.1 ICT Shared Services are currently forecasting an overspend of £845,000. This results from reduced income from projects (underachieved income of £1.890m due to a reduction in commissioned hours) and reduced income from schools, plus the impact of inflation. Mitigations have been put in place and this position is a reduction from last year and, although there has been a staffing underspend of £1,040,616, this is insufficient to offset the reduced income position.

5.1.2 Contracts continue to be reviewed and forecasts revised. Further work is being undertaken to confirm savings in respect of the Citrix and Appsense to inform business plan for 24/25 and future years.

5.1.3 Business as usual (BAU) figures include growth to reflect the current pay offer.

5.1.4 Income from schools is forecast to be significantly less than current budget. As this is unlikely to improve, the two councils need to consider realigning BAU to take account of this loss of income stream.

5.2   Priorities & Key Performance Indicators (KPIs)

5.2.1 For ICT Services, all objectives are on track. Significant progress has been made in encouraging users to move away from the telephony channel to logging issues and requests on the portal. We have seen a 20-30% increase over the last two years. The councils have now adopted new tools to manage cyber security across the CEC/CWC estate. Gemini mobilised and technical workstream in place to deliver designs and implementation of a new tenancy for CWaC. Build work is underway and a technical partner, Phoenix, has been engaged to assist with user migration. We have had 8 major incidents since the start of the year, compared to 18 over the same period in 22/23.

5.2.2 A summary of the Key Performance Indicator (KPI) RAG status compared to 2023/24 target pertaining to the suite of 3 ICT Shared Service KPIs is set out below:

KPI RAG Status	No of KPIs
	2
	0
	1

5.2.3 A performance overview with supporting narrative for each of the red KPIs is set out in Section 4 of the ICT Shared Service Business Plan.

5.3 Risks and Issues

5.3.1 The ICT Shared Service Business Plan for 2023/24 outlines one red rated risk.

5.3.2 Information management and data security (including Cybersecurity). Areas of mitigation for this risk include new security and compliance capabilities, ongoing activity around security governance, new tools to monitor and capture phishing exploits and Security Operations options being considered to bring in a partner (SOC service) to increase the Councils' ability to monitor and analyse security logs.

5.3.3 There is one issue identified, the original budget is based on the business model of 100,000 commissioned hours. Any reduction in commissioned hours will reduce income and put pressure on the outturn position. Actions to mitigate are detailed in the business plan update however it is recognised that the funding model is no longer fit for purpose and will be replaced as part of the delivery of Gemini Programme.

6. Implications of the Recommendations

6.1 Legal Implications
6.1.2 The business planning process is compliant with the Administrative Agreement requirement for SSJC to oversee business planning (Schedule 2 page 31).

6.2 Finance Implications
6.2.1 The financial implications are set out in Section 5.1 to the report.

6.3 Policy Implications
6.3.1 There are no direct Policy implications.

6.4 Equality Implications
6.4.1 There are no direct Equality implications.

6.5 Human Resources Implications
6.5.1 There are no direct Human Resources implications.

6.6 Risk Management Implications
6.6.1 The risks highlighted at Section 5.3 are managed through service/organisational risk management approaches. Where appropriate, risks appear in the corporate risk registers.

6.7 Rural Communities Implications

6.7.1 There are no direct implications for rural communities.

6.8 Implications for Children & Young People/Cared for Children

6.8.1 There are no direct implications for children and young people.

6.9 Public Health Implications

6.9.1 There are no direct implications for public health.

6.10 Climate Change Implications

6.10.1 There are no direct Climate Change implications.

7. Ward Members Affected

8.1 This report relates to Shared Services that operate across both CE and CWAC councils, therefore all wards are affected in both Councils. There are no direct implications arising from this report.

8. Access to Information

9.1 Documents are available for inspection at:

Cheshire East Democratic Services, Westfields, Middlewich Road, Sandbach CW11 1HZ
or:
Cheshire West & Chester Democratic Services, HQ Building, Nicholas Street, Chester, CH1 2NP

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

Name: Heather Grove
Job Title: Senior Manager: Business Development, Assurance, and Collaboration
Email: heather.grove@cheshireeast.gov.uk

Appendices

Appendix 1 – 23/24 ICT Shared Services Business Plan Mid-Year Review

Shared Service Business Plan 2023 to 2024

SERVICE DETAILS

Service Name	ICT Shared Services
Service Manager	Gareth Pawlett
Client Managers	Peter Lloyd, Valda Williams

OVERVIEW

- ICT Shared Service is a shared service hosted by Cheshire East Borough Council (CEC). It currently manages multiple diverse devices, infrastructures and application sets belonging to the two Councils and related partner organisations.
- The shared service provides:
  - Devices - Core IT End User Computing (EUC) Platform, Microsoft365,
  - Infrastructures - A single managed service for the provision of network and communications,
  - Hybrid data platform - A hybrid EUC and applications platform, co-located across Microsoft's Azure platform and the Datacentre in Kelly House,
  - User support services - comprising of the IT Service Desk and three levels of support in line with well recognised service management standards (ITIL v3) covering devices, infrastructure, and applications,
  - IT security, architecture and change management, project management and applications development and,
  - IT for several other organisations across Cheshire, comprising schools, wholly owned trading companies and strategic partnerships/joint ventures.

BUDGET SUMMARY

2023/2024 Planned Budget £	Gross Expenditure £16.62m Gross income £16.62m Net Outturn Nil
Comments	Planned Budget - 23/24 Budget is based on 100,000 hours to be commissioned by both Councils for the Shared Service. A 5 % inflationary pay rise for staff is included.
Mid-Year Forecast £	-£0.845m
Comments	Overall pressure of £845k, this latest position assumes 70,000 hours to be commissioned in year leading to an underperformance of income, other income pressures include reduced buyback from schools. To mitigate pressures, staffing levels are below budget and we have lower contract costs, mainly due to lower costs of the Cheshire Next Generation WAN. Contracts continue to be reviewed and forecasts revised. Further work is being undertaken to confirm savings in respect of the Citrix and Appsense for future years. BAU figures includes growth to reflect the current pay offer. Actual impact of pay award will not be known until NJC nationally agreed. Income from schools is forecast to be significantly less than current budget. As this is unlikely to improve the two councils need to consider realigning BAU to take account of this loss of income stream.

Forecast as at 19.09.23				**70,000 Hours**
	Budget position			Forecast 10.10.23
		Pay Award Growth Assumption 5%		*Includes 5% pay award growth assumption*
Employees	9,307,736	465,387	9,773,123	7,370,167
Agency	2,224,204	111,210	2,335,414	2,895,310
Bloom				234,934
Other	40,400		40,400	25,250
Finance & procurement recharges	121,263	6,063	127,326	127,326
	11,693,603	582,660	12,276,263	10,652,987
Premises	633,230		633,230	639,843
Transport	31,000		31,000	30,673
Third Party Contracts/Other	3,680,514		3,680,514	3,354,930
	4,344,744	-	4,344,744	4,025,446
Total Expenditure	16,038,347	582,660	16,621,007	14,678,433
BAU CEC	(3,827,726)	(291,330)	(4,119,056)	(4,119,056)
BAU CEC -ASDVs	(103,750)		(103,750)	(103,750)
BAU CWAC	(3,827,726)	(291,330)	(4,119,056)	(4,119,056)
Schools	(1,780,000)		(1,780,000)	(930,718)
Project Income	(6,300,000)		(6,300,000)	(4,410,000)
Misc - TSC	(153,610)		(153,610)	(113,500)
Misc -Warrington, CCSports, Macc Tow	(45,535)		(45,535)	(36,591)
OFFICIAL	(16,038,347)	(582,660)	(16,621,007)	(13,832,671)

End of Year outturn £	**Please put the outturn figure in this box**
	Explain any overspends and how they have been dealt with. **Explain any underspends and how this will be apportioned.**

KEY PRIORITIES AND OBJECTIVES

Number	Service Priorities/ Objectives	Date due for completion	Mid-Year Review Comments	End of Year Comments
1	Implement the recommendations from the Shared Service Review for ICT	April 2025	Please see separate report on Gemini Programme.	
2	Continuous Improvement – delivery of a jointly agreed service improvement plan based on the following key themes: New Business, Delivery on commitments, new metrics (security and compliance), User experience, Process improvement and Operational Strategy; with an associated Performance Management Framework (PMF).	March 2024	Significant progress has been made in encouraging users to move away from the telephony channel to logging issues and requests on the portal. We have seen a 20-30% increase over the last two years. The portal is now the main vehicle being used for all contact with the Service Desk. Resources have been reallocated accordingly with good provision against SLA targets across the board. We will continue to take feedback and make improvements to the portal experience including developments in self-service and automation where possible. Another key element of the last Customer Satisfaction Survey (User Experience) related to devices (laptops, tablets etc.) and their suitability. In line with our lifecycle management, an evaluation of potential replacement devices is underway aligned to the concept of worker styles or personas to ensure we can better match devices to need and new ways of working going forward. This will also align to the WorkplaCE Programme which will address office provision of monitors and equipment in meeting rooms etc. The latter part of the year will focus on further improvements to reporting out of our service management systems to ensure we can act upon the data and target resources and activity to the right areas and improve our queue management for reactive incidents across the ICT Service.	

| 3 | Culture - To ensure all senior managers are highly visible and consistently display the positive behaviours of the council. To ensure all staff have the skills, support, and frameworks to enable them to be successful and to deliver effective services. To ensure the service embraces change and champions the cultural standards, values and behaviours which will be beneficial to our shared service partners. | March 2024 | Extended the Q&A sessions to include colleagues from HR (CEC and CWaC) as we neared the decision on the hybrid ICT model.

Targeted discussions with Local Government Roundtable colleagues to assist in the delivery of the new Hybrid ICT model specifically targeted at technical partnering and the delivery of the tenancy separation.

Use of extended peer networks to support soft market testing or technical change activity. Specific engagement around end user computing and application delivery to inform Shared Service recommendations.

Manager Share and Support sessions run within CEC, wide cross section of the service actively taking part in awareness and education sessions including Teams and Cyber.

Shared Service shares content for adoption and change management with CWaC which is shared through their Digital Hub. Further sessions are being arranged on Microsoft Teams. | |
| 4 | Strategy and Design - To explore strategic partnerships and promote how ICT can be utilised effectively and efficiently as an enabler in the delivery of the Councils and other customers business objectives. To define the technical architecture and roadmaps to support Council business objectives. | March 2024 | Delivery of Essential Replacement programme for 23/24 has been mobilised and is delivery technical change with hosting and networks. Workshops held to review forward plan of change to ensure it aligns with Gemini programme and Councils future state.

Highly complex firewall migration was completed early in the financial year. | |

| | | | Continued emphasis on Cyber Security. The councils have now adopted new tools to manage cyber security across the CEC/CWaC estate. This has given the security team much greater visibility of threats and automated capability to deal with them. Improved capability of reporting and managing where people are logging in from. We continue to monitor the significant increase in the new cyber threats across the estate. A number of security and compliance projects have been commissioned to deliver incremental change to enable both Councils to implement a Zero Trust Strategy across the estate.

Gemini mobilised and technical workstream in place to deliver designs and implementation of a new tenancy for CWaC. Build work is underway and a technical partner, Phoenix, has been engaged to assist with user migration.

Review of end user computing and application delivery has been completed. Project has been mobilised to move away from the existing server-based model which should lead to a reduction of 3rd party costs (hosting and supplier), the project is planned to complete in 23/24.

Working with regional partners on collaborative arrangements for network connectivity for staff across our estates, this service is GovRoam. Some issues across the North West have been escalated to JISC, the supplier of the GovRoam service, as we are aware that some issues we have experienced aren't being experienced nationally. | |

			The migration of the SharePoint estate for both Council's from on-premise to SharePoint online was completed within a significantly accelerated timeframe. The decommission of the legacy SharePoint platform released significant volumes of storage back into the estate.	
5	Governance - To provide a framework of governance to ensure the provision of robust information, intelligence, and business cases to support effective decision-making.	March 2024	Gemini Programme Board established. Finance, Technical and HR Workstreams mobilised with operational reporting in place. Design Authority established and meeting monthly to review Gemini design but also review and understand impact on BAU and ensure any programme activity outside of Gemini is supporting the future state vision. Further detail in the Gemini update report. Joint Strategic Board reports have been issued monthly detailing financial management, staffing and business change commissioning and delivery. Additional financial meetings have been put in place to provide assurance and share more detail on the activity underway to manage the forecast and outturn position.	
6	Financial Sustainability - To ensure the ICT Shared Service operates at the optimal cost base to support the Councils, challenging existing service delivery models whilst maximizing resource utilisation. To create a sustainable ICT Shared Services structure to support the Councils and its partners.	**March 2024**	Overall pressure of £845k, this latest position assumes 70,000 hours to be commissioned in year leading to an underperformance of income, other income pressures include reduced buyback from schools. To mitigate pressures, staffing levels are below budget and we have lower contract costs, mainly due to lower costs of the Cheshire Next Generation WAN.	

| | | | | Contracts continue to be reviewed and forecasts revised. Further work is being undertaken to confirm savings in respect of the Citrix and Appsense for future years.

BAU figures includes growth to reflect the current pay offer. Actual impact of pay award will not be known until NJC nationally agreed.

Income from schools is forecast to be significantly less than current budget. As this is unlikely to improve the two councils need to consider realigning BAU to take account of this loss of income stream.

Additional financial meetings have been put in place to provide assurance and share more detail on the activity underway to manage the forecast and outturn position. | |

You can add further lines as required

KEY PERFORMANCE INDICATORS (KPI)

Number	Key Performance Indicator Description	Previous Year Actual	Current Year Target	Mid-year Actual	End of year Actual	Comments
1	Annual Customer Satisfaction Survey covering full range of services.	75%	75%	75%		Mid-Year Review – The customer satisfaction survey was run in March 2023. Discussions ongoing with regards to the timing and content of the next survey for later in the year.
2	Delivery of projects to time, cost and quality milestones	87.2%	75%	58.3%		Mid-Year review – 21 of 36 met the KPI. The first three months of the year were green with indicator over 80%. From July to September, traditionally quiet months for project closure and low volumes, we have been trying to close down a legacy tail of projects, a number of which have been red in the past. The way this indicator works is once failed always failed even if change requests have been submitted and the project closes on revised time and budget. Once the tail has been resolved the indicator will return to green.
3	Availability of basket of critical systems and services	99.6%	99.0%	99.9%		Mid-Year Review – We have had 8 major incidents since the start of the year, compared to 18 over the same period in 22/23.

You can add further lines as required

KEY RISKS

Please enter risks scoring 9 or over

Number	Key Risk Description	Initial Risk Rating	Mid-year Rating	End of year Rating	Comments
1	Information management, data security (including CyberSecurity) Corporate policies, protocols, tools, and technologies for the authority continue to be developed, with information management maturity and staff understanding and working practice. The lack of a consistent approach to information management may result in security and safety breaches, leading to the loss of confidentiality and potential disclosure of sensitive personal information. This lack of consistency may also result in difficulties in timely access to key information. Decisions based on poor or absent data may result in a failure in service delivery. In conjunction, ineffective data security measures may lead to the inappropriate use of data, data protection issues and fraud resulting in loss of reputation and financial penalties.	16	12		Mid-Year Review - The Councils are making use of new Microsoft security and compliance capabilities, which are starting to give ICT a greater understanding and visibility of activity within the infrastructure. This will allow the technicians to analysis inappropriate activity and also provide some level of automation to close down vulnerabilities as they occur. The Council continues to receive a large volume of targeted threats against its workforce, training and the enhanced capabilities will be key to prevent these vulnerabilities being exploited. There is ongoing activity around security governance and a security focussed operations group to strengthen the council's position on cyber security. The work will also encompass strengthening links with corporate and information governance. New tools to monitor and capture phishing exploits are being deployed with additional training for staff to raise awareness being made available. Enhanced security features secured from Microsoft are being rolled out to further protect the estate. Security Operations options are being considered to bring in a partner (SOC service) to monitor and analyse security logs, including out of hours, to improve our awareness of threats to the estate.

ISSUES SUMMARY

Issues are where risk have happened. You need to enter any issues that have arisen and are still live.

Number	Issue Description	Date issue arose	Date issue closed	Comments
1	The original budget is based on the business model of 100,000 commissioned hours. Any reduction in commissioned hours will reduce income and put pressure on the outturn position.	01/04/2023	31/03/2024	All parties are reviewing the demand plan with Initial estimates that there will be 70,000 hrs commissioned demand for 2023/24. The Shared Service will work hard to mitigate the loss of income as far as possible (by reducing agency hours etc). However, the extent of the loss of income (yet to be determined) could be such that it has been difficult to offset further without impacting BAU services. Cost pressures from contracts are expected to continue with suppliers indicating a continued increase in costs in coming months. The funding model is no longer fit for purpose and will be replaced as part of the delivery of Gemini Programme.

APPROVAL

The business plan MUST be agreed by the client managers and your line manager prior to any reporting deadlines.

Approval	Name	Job title	Date Agreed
Service Manager	Gareth Pawlett	Chief Information Officer/ Head of ICT Services	
Client Manager CEC	Valda Williams	ICT Business Planning and Compliance Manager	
Client Manager CWC	Peter Lloyd	Head of Change and Technology	
Head of Service/Director	Alex Thompson	Director of Finance and Customer Services	

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CHESHIRE EAST COUNCIL
CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 24th November 2023

Report Title: Transactional Shared Service Business Plan – 23/24 Mid-Year Review

Senior Officer: Mel Fitzpatrick, Head of Transactional Shared Services

1.   Report Summary

1.1   The report sets out the 23/24 mid-year Business Plan position for Transactional Shared Services which encompasses Recruitment and Pay, Payments and Income and Governance and Support Services.

2.   Recommendations

2.1   It is recommended that Members note the Transactional Shared Service 23/24 Business Plan Mid-Year Update.

3.   Reasons for Recommendations

3.1   The Shared Service Joint Committee Administrative Agreement sets out (in Schedule 2 – Joint Committee Terms of Reference (page 31)) that the Joint Committee is responsible for approving business plans for shared services including targets, service quality, performance, and efficiency.

4.   Background

4.1   The Transactional Shared Service Business Plan for 23/24 follows the agreed simplified and risk-stratified approach to business planning implemented 2022/23 following the Shared Services Review.

4.2   The report provides a high-level overview of the budget position, priorities, performance against the agreed key performance indicators and associated risks. Further details are outlined in the Transactional Shared Service Business Plan 23/24 mid-year update attached at Appendix 1.

5.   Performance Overview

5.1   Budget

5.1.1 Transactional Shared Services are currently forecasting an overspend of £276,000. The forecast overspend is predominantly due to a planned staffing overspend in Governance and Support to support UNIT4 developments and improved functionality.

5.1.2 A review of additional income projected for 23/24 is currently underway which could potentially impact the level of projected overspend. A separate report regarding income and mitigations will be presented at the March SSJC meeting.

5.2   Priorities & KPIs

5.2.1 Transactional Shared Services have one priority action behind schedule relating to the development and refresh of the pay mechanism which was due by July 2023. As outlined in Section 3 of the Transactional Shared Service Business plan attached at Appendix 1, significant work has been undertaken in relation to review of the Pay Mechanism and key financial and volumetric activity data has been refreshed. It is proposed that 2023/24 be the baseline year to allow further work to be progressed to solidify the accuracy of the data and provide sufficient time to improve associated business processes with a view to mobilising the new pay mechanism with effect from the 24/25 financial year.

5.2.2 A summary of the Key Performance Indicator (KPI) RAG status compared to 23/24 target pertaining to the suite of 13 Transactional Shared Service KPIs is set out below:

KPI RAG Status	No of KPIs
	7
	3
	3

5.2.3 A performance overview with supporting mitigating actions for each of the red/amber KPIs is set out in Section 4 to the Transactional Shared Service Business Plan.

5.2.4 The KPIs with a red RAG status are Recruitment and Pay indicators which primarily relate to the delays incurred with issuing final Contractual Documents of Employment to new employees within 5 working days.

5.2.5 In line with historic trends, contract requests increase over the Summer-period for September new starters and position changes. Vacancies in the new structure whilst recruitment is still ongoing has resulted in reduced resource availability and consequently, reduced knowledge base in the team. Additional resources from across Transactional Services have been transferred to provide support to the contracting function during this peak demand period. Additional permanent resources were recruited mid-October 2023 which will further support the Teams capacity to effectively manage service demand.

5.2.6 Whilst the performance position on the contractual documentation KPIs remains below target, the direction of travel is positive with performance significantly improving in September when compared to August 2023. Performance Clinics will shortly be introduced to facilitate deep dives into performance exception areas with a view to undertaking root cause analysis and supporting solution-focussed performance improvements.

5.3 Risks and Issues

5.3.1 The Transactional Shared Service Business Plan for 23/24 outlines two amber rated risks.

5.3.2 The continued loss of income from schools and academies remains an amber-rated risk at the mid-year review period. A separate report will come to the March SSJC which will set out further detail including mitigating actions.

5.3.3 Capacity within service to continue to progress and embed UNIT4 developments remains an amber-rated risk at the mid-year review period. The service is continuing recruitment efforts in relation to approved additional temporary resources to enhance the capacity of the Governance and Support Team to implement UNIT4 developments and improve functionality. A further review will be undertaken to align with the future roadmap for UNIT4.

6. Implications of the Recommendations

6.1 Legal Implications
6.1.2 The business planning process is compliant with the Administrative Agreement requirement for SSJC to oversee business planning (Schedule 2 page 31).

6.2 Finance Implications
6.2.1 The financial implications are set out in Section 5.1 to the report.

6.3 Policy Implications
6.3.1 There are no direct Policy implications.

6.4   Equality Implications

6.4.1 There are no direct Equality implications.

6.5   Human Resources Implications

6.5.1 There are no direct Human Resources implications.

6.6   Risk Management Implications

6.6.1 The risks highlighted at Section 5.3 are managed through service/organisational risk management approaches. Where appropriate, risks appear in the corporate risk registers.

6.7   Rural Communities Implications

6.7.1   There are no direct implications for rural communities.

6.8   Implications for Children & Young People/Cared for Children

6.8.1   There are no direct implications for children and young people.

6.9   Public Health Implications

6.9.1   There are no direct implications for public health.

6.10   Climate Change Implications

6.10.1   There are no direct Climate Change implications.

7.   Ward Members Affected

7.1   This report relates to Shared Services that operate across both CE and CWAC councils, therefore all wards are affected in both Councils. There are no direct implications arising from this report.

8.   Access to Information

8.1   Documents are available for inspection at:

Cheshire East Democratic Services, Westfields, Middlewich Road, Sandbach CW11 1HZ
or:
Cheshire West & Chester Democratic Services, HQ Building, Nicholas Street, Chester, CH1 2NP

9.   Contact Information

9.1.   Any questions relating to this report should be directed to the following officer:

Name: Heather Grove
Job Title: Senior Manager: Business Development, Assurance, and Collaboration
Email: heather.grove@cheshireeast.gov.uk

Appendices

Appendix 1 – 23/24 Transactional Shared Services Business Plan

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Shared Service Business Plan 2023 to 2024

SERVICE DETAILS

Service Name	**Transactional Services**
Service Manager	**Mel Fitzpatrick**
Client Managers	**Paul Goodwin/Heather Grove**

1) OVERVIEW

Transactional Shared Services is currently hosted by Cheshire West and Chester Council and provides services for both Cheshire West and Chester and Cheshire East Councils in addition to schools, academies, council businesses and other organisations choosing to buy-back the following functional services:

- Recruitment and Pay
- Payments and Income
- Governance and Support

2) BUDGET SUMMARY

2023/2024 Planned Budget £	£4.818m gross, see below for funding
Comments	The permanent budget of £4.818m gross is based on the shared service permanent structure, there is also a planned overspend of up to £0.296m for 8 temporary posts in Governance and Support. The permanent budget funds 106 operational posts in Governance and Support, Payments and Income and Recruitment and Pay as well as the managers for those services and for the shared service. The funding for the budget is provided by a variety of funding sources- an income target of £1.7M relating to buy back services from schools, Cheshire Pension Fund, Council Businesses and other organisations (£3.118m) comes from the two Councils, Cheshire East and Cheshire West, currently split 50:50, but work has been ongoing to review the numbers of transactions for each Council and the percentage split.
Mid-Year Forecast £	£0.276m forecast(overspend) to be shared between the two Councils
Comments	The forecast overspend is mainly attributable to the planned staffing overspend in Governance and Support to support UNIT4 developments and improved functionality.
End of Year outturn £	

3) KEY PRIORITIES AND OBJECTIVES

Number	Service Priorities/ Objectives	Date due for completion	Mid-Year Review Comments	End of Year Comments
1	**Reduce demand on shared service**	**31.03.24**	Work is ongoing on the Demand Management Programme the objectives of which are to: ➤ Demonstrate best practice and enable the most efficient, cost-effective delivery for residents, customers and the council; ➤ Embrace the principles of digital first, standardisation, automation and self-serve in the re-design and delivery of services; ➤ Reduce costly multiple hand-off processing through embracing re-design and continuous improvement approaches to minimise failure, avoidable and preventable demand; ➤ Improve the design of internal processes, automation and accessibility through the provision of information, training and workforce development to enable self-help and embedding of new processes and procedures as business-as-usual practice; ➤ Continue to work collaboratively with	

			colleagues across the council to reduce printing, paper and avoidable transactional contact & associated costs, aligned with meeting environmental targets & reducing the Councils carbon footprint.	
2	**Complete outstanding recommendations from shared service review**	31.03.24	An action plan is in place to progress the recommendations of the shared service review. A review is scheduled for quarter 3 to ensure that robust and proportionate governance and assurance arrangements are in place to take forward key actions to March 2024. The revised performance management framework is now in place and is managed via the monthly Transactional Services governance structures. The scoping and design of Customer satisfaction surveys will commence in quarter 3 with a view to roll out in quarter 4. This will help to the shared service to gain insight and feedback from customers to inform the continuous improvement of the service offer set within the context of available resources.	

| 3 | **Agree new pay mechanism incorporating schools** | 31.07.23 | Significant work has been undertaken in relation to review of the Pay Mechanism incorporating schools.

Key financial and volumetric activity data has been refreshed however, given that UNIT4 is still not fully optimised, further work is required to solidify the accuracy of the data and provide sufficient time to improve associated business processes with a view to mobilising the new pay mechanism with effect from the 24/25 financial year.

In addition to being a basis for cost apportionment, the opportunity to identify and share best practice to drive down avoidable and failure demand will be maximised across the shared service. | |
| 4 | **Complete service review including redundancies** | 30.6.23 | The service review and associated re-structure is complete.

Recruitment to the new structure is ongoing and expected to conclude in quarter 3. Further work is being undertaken to embed the new business model and ensure this is clearly communicated with key partners and stakeholders. | |

4) KEY PERFORMANCE INDICATORS (KPI)

Payments & Income							
Number	Key Performance Indicator Description	Previous Year Actual	Current Year Target	Mid-year Actual CE	Mid-year Actual CWaC	End of year Actual	Comments
TS001	Payment to Supplier within terms		90%	96%	93%		
TS002	Timely and accurate resolution of unallocated income		85%	81%	80%		Timely and accurate resolution of unallocated income is usually a period behind as the team work on these during the month following cut off. A dip in performance was observed in June 2023 as a result of team members with significant knowledge leaving the service. Vacancies have now been filled and work is ongoing to support knowledge transfer and multi-skill teams to build further resilience.
TS003	Timely and accurate Direct Debits Collected		90%	100%	100%		
TS004	Issues resolved at first point of contact		90%	97%	99%		

Recruitment & Pay							
Number	Key Performance Indicator Description	Previous Year Actual	Current Year Target	Mid-year Actual CE	Mid-year Actual CWaC	End of year Actual	Comments
TS005	Confirmation and Final Contractual Documents of Employment provided for each new employee within 5 working days of complete and accurate information being received (exc schools)		95%	77%	83%		In line with historic trends, contract requests increase over the Summer-period for September new starters/position changes. Vacancies in the new structure whilst recruitment is still ongoing has resulted in reduced resource availability and consequently, reduced knowledge base in the team. Additional resources from across TS have been transferred to provide support to the contracting function during this peak demand period.

TS006	Confirmation and Final Contractual Documents of Employment provided for each new employee within 5 working days of complete and accurate information being received		90%	**70%**	**79%**		Additional permanent resources joined the Team mid-October 2023 which will further support the Teams capacity. Whilst the performance position remains below target, the direction of travel is positive with performance significantly improving in September when compared to August 2023. Performance Clinics will shortly be introduced to facilitate deep dives into performance exception areas with a view to undertaking root cause analysis and supporting solution-focussed performance improvements. UNIT4 developments have been identified and once mobilised, will help to auto-generate letters which will reduce demand on the team. Development work is also ongoing with Hireserve to enable the automation of contracts which are currently produced manually. Performance Clinics will shortly be introduced to facilitate deep dives into performance exception areas with a view to undertaking root cause analysis and supporting solution-focussed performance improvements.
TS007	Percentage of pay made accurately and on time (EXC Schools/Users)		99%	**99%**	**99%**		
TS008	Percentage of pay made accurately and on time (Officers & Schools)		99%	**99%**	**99%**		

TS009	Issues Resolved at first point of contact		90%	48%	64%		The % of issues resolved at first point of contact is dependent on the complexity of the enquiry and whether specialist advice or more detailed case investigation is required for example in relation to tax refunds. The KPI is currently based on call volumes and has experienced a high level of complex enquiries which has impacted the resolution at first point of contact rates. Work is ongoing to streamline access channels to ensure that enquiries are managed within an agreed Standard Operating Procedure and risk-based response timescales. Once mobilised, KPI metadata will be reviewed to reflect the revised enquiry protocol. Performance Clinics will shortly be introduced to facilitate deep dives into performance exception areas with a view to undertaking root cause analysis and supporting solution-focussed performance improvements.

Governance & Support							
	Key Performance Indicator Description	Previous Year Actual	Current Year Target	Mid-year Actual CE	Mid-year Actual CWaC	End of year Actual	Comments
TS010	Percentage of INCIDENT halo tickets received within 5 working days of receipt		90%	86%	86%		Performance is continuing on a positive trajectory with a further increase in incident HALO tickets resolved within 5 working days. Recruitment continues to the new structure and training and knowledge transfer with new staff members is currently underway which will help to maintain and build on the positive direction of travel in terms of achieving performance targets.
TS011	Percentage of INTERNAL SERVICE request halo tickets closed within 5 working days		85%	83%	83%		

							Performance Clinics will shortly be introduced to facilitate deep dives into performance exception areas with a view to undertaking root cause analysis and supporting solution-focussed performance improvements.
TS012	Percentage of fully completed POSITION ADMINISTRATION FORMS actioned within 5 working days			90%	**98%**	**98%**		
TS013	Percentage of HELPDESK calls answered			95%	**98%**	**98%**		

5)   KEY RISKS

Number	Key Risk Description	Initial Risk Rating	Mid-year Rating	End of year Rating	Comments
1	Continued loss of income from schools	**9**	9		Review currently being undertaken to outline the current position, future service delivery options and mitigations.
2	Capacity within service to continue to progress and embed UNIT4 developments	9	9		Additional temporary resources approved in the 23/24 budget to enhance the capacity of the Governance and Support Team to implement UNIT4 developments and improve functionality. Recruitment is still ongoing - Further review will be undertaken to align with the future roadmap for UNIT4.
3					
4					
5					

6) ISSUES SUMMARY

Number	Issue Description	Date issue arose	Date issue closed	Comments
1	None raised			
2				
3				
4				
5				

APPROVAL

Approval	Name	Job title	Date Agreed
Service Manager	Mel Fitzpatrick	Head of Transactional Shared Services	
Client Manager CEC	Paul Goodwin	Head of Financial Services	
Client Manager CWC			
Head of Service/Director	Debbie Hall	Director of Finance	

Cheshire East Council
Cheshire West and Chester Council

Shared Services Joint Committee

Date of Meeting: 24th November 2023

Report Title: The Future Model for ICT: Programme Gemini Update

Senior Officer: Alex Thompson, Director of Finance and Customer Services, Cheshire East Council.

Laurence Ainsworth, Director of Public Service Reform, Cheshire West and Chester Council.

1   Report Summary

1.1   This report provides a summary of the progress to date on the Hybrid ICT programme following decisions to proceed with a new service model.

2   Recommendations

2.1   That the Shared Services Joint Committee note the latest update on the Hybrid ICT Programme.

3   Reasons for Recommendations

3.1   The Shared Service Joint Committee have agreed to receive regular updates on the progress of the programme to provide transparent oversight and accountability.

4   Background

4.1   Following comprehensive joint work by both organisations, on 26th January 2023 Shared Services Joint Committee recommended that their constituent councils proceed with a hybrid model for ICT. This involves retaining a shared network and data centre and a separation of other ICT functions that are currently shared.

4.2   The recommendation to move to a new model for ICT Services was agreed at Cheshire East Councils Corporate Policy Committee on February 9th 2023, and Cheshire West and Chester Cabinet on February 8th 2023.

4.3 It was agreed that the Shared Service Joint Committee will play a key role in providing oversight throughout the programme over the next two years and that a joint scrutiny task group should also be established.

5 Progress update

5.1 Following the update at the Shared Services Joint Committee on 30th June 2023, an update of progress since June 2023 to November 2023 is set out below.

5.2 The programme overall has made significant progress in this last period with all key partners in place, effective governance helping to drive activities and manage risks and both councils' future designs nearing completion.

5.3 As with all complex programmes, management of risks and issues effectively is vital. During this period an issue related to resourcing of the workforce workstream impacted progress, through established governance this issue is now resolved and additional resources are in place to mitigate delays.

5.4 Through the strategic intent in both councils and the move towards more applications being delivered as software as a service delivery, and the need to move towards a modern infrastructure for networks, it is recognised that there is a need to understand its implications and longer term future of our agreed model. This review is now underway and will be reported back to shared services joint committee through these regular reports.

5.5 The programme status is Green overall which means the programme is on track to deliver and remains within programme tolerances.

5.6 Progress against the workstreams and themes of the programme is outlined below:

Workforce

5.7 The ICT workforce remain regularly communicated and engaged with via managers and through programme mechanisms such as the regular Staff Questions and Answer sessions focussed on the programme. The last event took place on September 28th and had attendance of over 90 staff, the next session is scheduled for November 30th.

5.8 All questions and answers are published in a shared environment for all staff to see and each session is recorded and published also so all members of the ICT workforce have the opportunity to understand the latest progress.

5.9 In this period a staff poll was completed to name the programme, The workforce chose 'Gemini' to be its name moving forward.

5.10 Trade unions have also been updated on September 28th and will remain regularly engaged. Further engagement and consultation are planned with Trade Unions at key points throughout the programme.

Governance

5.11 A joint scrutiny task group consisting of six councillors (three representing Cheshire West and Chester Council and 3 representing Cheshire East Council) met on October 4th 2023

5.12 The working groups first meeting focussed on:
- the application of lessons learned from previous programmes into the Gemini programme.
- programme controls and methodology.
- progress against the plan.

5.13 Working group members fed back at the meeting that this was a valuable exercise and provided a level of assurance that that the programme team are capturing lessons learnt and have robust controls in place however members would like more focus on programme finances and milestones moving forward.

5.14 The Councils internal audit teams have been proactively engaged in the programme and are auditing progress as the programme reaches key gateways to ensure programme controls remain effective.

5.15 A Business Design Authority continues to oversee any changes to the ICT landscape in terms of people, processes and technology interdependencies with the programme.

Technical

5.16 The procurement process for a technical partner has now successfully completed.

5.17 Discovery workshops have started and will continue to take place over November and December, these will shape the build of the new Cheshire West and Chester environment, define a migration plan which will move all users into this new tenancy and identify opportunities to refine the Cheshire East environment.

5.18 Work is continuing with the internal teams to design and build the new tenancy based on best practice. The final design stages have all been initiated and remain on track to support the migration activities.

6   Design

6.1 Both councils have completed more detailed future designs that align to their individual organisations strategic direction. This includes potential organisational structures. The designs will go through final iterations over the coming months to support future engagement with the workforce and skills development planning.

7   Programme Milestones

7.1 There are a number of workstreams within the programme which have key milestones that reflect important points of delivery.

7.2 The milestone delivery table below outlines these:

Workstream	Milestone Delivery Table Milestone	Completion Date	Status
Mobilisation	Initiation	Jun-23	Complete
Mobilisation	Establish governance and programme controls	Jun-23	Complete
Technology Change	Procure an external Technology Partner	Sep-23	Complete
Technology Change	Options appraisal data centre and networks	Feb-24	Underway
Technology Change	Establish new O365 Tenancy	Dec-23	Underway
Technology Change	Migration to new O365 Tenancy complete	Aug-24	Underway
Workforce Change	Confirm HR policy framework to be applied to transition of staff	Dec-23	Underway
Workforce Change	Define and deliver process to transition staff to CWC and CE services	May-24	Underway
Workforce Change	Skills analysis and development plan	May-24	Underway

Design	Initial design of CWC and CE separated services	Nov-23	Complete
Design	Establish shadow management arrangements	Mar-24	Planning
Design	Retained shared service model design and costs	May-24	Underway
Design	Performance management framework and SLAs	Oct-24	Yet to be initiated
Design	Process definitions between ICT services	Oct-24	Yet to be initiated
Formalisation	Shared Service agreement	Nov-24	Yet to be initiated
Formalisation	Soft launch of new service model	Dec-24	Yet to be initiated
Formalisation	Formal Disaggregation of staff	Mar-25	Yet to be initiated

7.3 A full programme plan is in place and a key programme control is that this is regularly updated to reflect current positions and known issues, the plan is an active document and evolves through out the programmes lifecycle.

8   Programme Budget

8.1 The programme budget for 23/24 is £2.47m, the current forecast at October is £1.51m.

8.2 The associated benefits of the combined £2.67m saving (Revenue and Capital) will be assured following final design refinements taking place over November.

9   Risks and Issues

9.1 As part of the mobilisation activities an updated Risk and Issues log is being populated to reflect the current position and future focus of the programme.

9.2 The top 3 key risks identified are:

Theme	Risk	Mitigation
Workforce skills and capacity	The two new ICT services and retained shared service will not have the right level of skills and capacity to operate sustainably on day one.	An early and on-going assessment of capability gaps as part of the organisational development strategy for the programme will be completed to indicate the nature of the gap, implications for service delivery and business continuity and target early specialist recruitment where necessary. The lead-in to the transition gives sufficient time to create strategies for targeting and resolving skills and capacity gaps.
Workforce	Staff will be unsettled through the transition or unhappy with the disaggregation outcome leading to challenges of retention & recruitment & impact on service delivery	Continuous engagement with staff will remain throughout Early and continued engagement and full and meaningful consultation with trade unions The transition will create new opportunities for staff and both councils will commit to support and development. More opportunities will be available for current workforce. Focus on developing current workforce into new roles and skills. Clear visions for ICT in each Council. Joint approach to recruitment for existing vacancies to mitigate redundancies.
Finance - Benefit	There is a risk that baseline data used to build benefits is inaccurate.	Programme finance needs to be reviewed against deliverables and workstreams. Review proposed benefits against the design, plan and budget. The Service baseline has moved on since due diligence by the internal team was undertaken. Initial design modelling will need to be reworked against a refreshed baseline to assess any impact.

10 Implications of the Recommendations

10.1 *Legal Implications*
Discussion was held on legal support for the programme, particularly to support new contractual arrangement and the new shared service agreement.

10.2 *Finance Implications*
A £5.1m overall programme budget has been agreed, projected benefits are £2.67m combined, payback period is 4 years. Regular reports on programme finances will feature through Members governance as the programme progresses.

10.3 *Policy Implications*
The new hybrid model will be aligned to each councils' policies. Common ICT policies will be agreed for the retained shared service.

10.4 *Equality Implications*
There are no direct Equality implications at this stage.

10.5 *Human Resources Implications*
Implications for Human Resources will be managed by the workforce workstream and will be a critical part of the programme. Engagement with workforce will continue throughout the programme. In addition, a joint session with the Trade Unions are planned throughout the programme and will become a regular working group.

10.6 *Risk Management Implications*
A full risk log is being formed and will be reported to Members of the Committee on a regular basis from June.

10.7 *Rural Communities Implications*
ICT supports all priorities and communities, and it is important that successful delivery of the service is achieved.

10.8 *Implications for Children & Young People/Cared for Children*
ICT supports all priorities and communities, and it is important that successful delivery of the service is achieved.

10.9 *Public Health Implications*
ICT supports all priorities and communities, and it is important that successful delivery of the service is achieved.

10.10 *Climate Change Implications*

ICT supports all priorities and communities, and it is important that successful delivery of the service is achieved.

10.11 *Ward Members Affected*

This report relates to Shared Services that operate across both CE and CWC, therefore all wards are affected in both Councils.

11 Access to Information

Documents are available for inspection at:

Cheshire East Democratic Services
Westfields, Middlewich Road
Sandbach
CW11 1HZ

or:

Cheshire West & Chester Democratic Services
HQ Building, Nicholas Street,
Chester,
CH1 2NP

8. Contact Information

Any questions relating to this report should be directed to the following officer:

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