

# Cheshire East Council Cheshire West and Chester Council

## Shared Services Joint Committee

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## Appendix 4

**Date of Meeting:** 26<sup>th</sup> January 2023

**Report Title:** The Future Model for ICT: Shared Service Review

**Senior Officer:** Jane Burns, Executive Director, Corporate Services, Cheshire East Council  
Laurence Ainsworth, Director of Public Service Reform, Cheshire West and Chester Council

### 1. Report Summary

- 1.1. This report provides the final conclusions of the ICT Shared Service Review. It supports a move from the current shared service to a hybrid model and to progress consultation with the trade unions on this. This would involve retaining a shared data centre and network but would involve separation and reconfiguration of other functions that are currently shared including helpdesk, device support, application support, schools, architecture and projects.
- 1.2. Further details on the rationale, financial case, the transition plan, and mitigations to any key risks are within the body of the report.
- 1.3. The views of the Shared Services Joint Committee will be reported to both Cheshire East and Cheshire West and Chester Councils for a final decision.

### 2. Recommendations

That the Shared Services Joint Committee:

1. Recommends to the Corporate Policy Committee of Cheshire East Council and the Cabinet of Cheshire West and Chester Cabinet:
  - I. to approve the move to a hybrid model for ICT and to progress consultation with the trade unions based on all necessary considerations included in this report.
  - II. to progress full consultation and engagement with staff and trade unions, informing a more detailed design of a new hybrid model and the approach to the reconfiguration of the service.
  - III. to agree that a revised agreement setting out the future arrangements for ICT across both Councils will be prepared and entered into following the above stages and the implementation of a new tenancy model.
  - IV. to commit the necessary resources to implement a new tenancy model and the mobilisation of the programme.

2. Approves the principle of shared employment related liability and costs between Cheshire East and Cheshire West and Chester Councils relating to the transitional period and any disaggregation process leading to the move to a hybrid model for ICT and delegates to the respective Heads of Legal Services to agree the terms of any amendments to the Staff Transfer Agreement, ICT Services Agreement or related documents.
3. Notes that an update report will be provided to the June meeting of this committee.

### **3. Reasons for Recommendations**

- 3.1. The Shared Service Joint Committee terms of reference in schedule 2 of the Administrative Agreement sets out that the Joint Committee is responsible for overseeing changes related to the shared services and for ensuring that there are robust plans for any disaggregation of services and that there is a smooth transition into the separate arrangements.
- 3.2. A review of the arrangements for ICT between the two councils has been completed and now requires consideration by the Joint Committee in line with their terms of reference. Schedule 8 of the ICT Services Agreement states that any decision which is likely to involve significant costs in excess of £1million or involve significant impact upon Service Users in either Council area is a reserved matter for each Council in line with their individual governance arrangements.
- 3.3. The scheme of delegation for the ICT Shared Service requires any changes in the nature and extent of the liability of any Party under the Shared Services Agreements to be approved by the Shared Services Joint Committee if the change entails significant cost or risk.

### **4. Background**

- 4.1. The ICT Shared Service was formed in 2009 to provide resilience following local government reorganisation. It also initially enabled councils to share overheads and reduce costs. However, the long-term future of the shared service and its ability to meet the needs of the two councils within available resources has been subject to review for a period of a time. In 2017 an independent review was commissioned by both councils and reported to the Shared Services Joint Committee. The review concluded a hybrid model was required with an element of shared activity but also a separation of some shared functions over time. It was proposed that this takes place following an investment in shared infrastructure and the upgrade to new Microsoft platforms. This programme, known as Evolution, was delivered through to 2020 and proved vital to adapting to new working arrangement during the COVID-19 pandemic.
- 4.2. Following the delivery of Evolution, there was an opportunity to revisit moving to a new model. This formed part of a wider strategic review commissioned by both councils in 2021 to review all shared services. It was agreed that an external perspective and expertise would be valuable, and a specification was drawn up, a procurement exercise undertaken, and C.Co., the consultancy arm of CIPFA, were appointed to

conduct the reviews. On 24 September 2021 it was reported to Members that a hybrid model was recommended by C.Co. This involves sharing infrastructure such as the data centre and network but separating remaining ICT functions between the councils. The review concluded this would support an effective and efficient service which responds to the latest trends in ICT.

- 4.3. This represents a major change to current ways of working to a vital service. Both councils therefore agreed that further due diligence was required to secure further assurance on the financial, technical, and practical implications of this proposal. This review has been fully considered by both councils and the proposals are now in a position for consideration by the Committee.

## **5. Rationale for a new model**

- 5.1. It is important to note external factors which have prompted the need to revisit the current ICT model. Firstly, over the last decade, ICT has changed from a 'back-office' service to a 'strategic enabler' of transformation. This means an in depth understanding of the organisation, individual business processes and services which technology support is needed to drive new ways of working. Secondly, many systems are now hosted by software vendors including upgrades, incident response, training and helpdesk. The vendors then seek economies of scale by providing these services to many customers. Previously organisations delivered these functions in house and could collaborate with other organisations to deliver economies of scale.
- 5.2. In this context, a key role for an ICT service is to enable transformation but also work closely with the business to ensure demand for technology is managed and a coherent approach to technology design and investment is secured. This is more challenging across two Councils with different objectives, demands, designs and priorities. ICT requirements must be fully aligned to the needs and priorities of an organisation, and it is now harder to standardise all aspects of ICT and share across organisations than in the past. This is reflected with fewer new shared services across local government and some separations over time.
- 5.3. On 24<sup>th</sup> September 2021 the Shared Service Joint Committee considered the findings of the initial review conducted by C.CO and supported a more detailed period of due diligence related to ICT. A range of alternative models including enhancing the shared service, moving to a managed service, outsourcing ICT, a full separation and hybrid model were considered. The hybrid model was recommended on the basis of delivering benefits, representing value for money, alignment with the council's priorities and deliverability.
- 5.4. The review was conducted collaboratively. It was noted that despite best efforts and strong relationships, trends in ICT would suggest that the current shared service model needs to evolve towards a hybrid approach. If the current model was to continue alongside these trends, there is a risk the service would become less effective and more complex. Both councils rightly have their own business priorities, plans and service designs. Without real convergence shared ICT will not be optimised. For this reason, the council share very few systems and rarely collaborate on business focused

projects. There are limited economies of scale except for the data centre and network infrastructure which is more capable of standardisation and sharing across organisations.

- 5.5 This situation has increasingly made the shared service arrangement difficult to manage with overlapping accountabilities, complex governance, and budget instability. Due to duplication and the challenges of aligning with each council, the overall costs of ICT across the shared service and the two councils are above average compared to the costs of ICT across local government.
- 5.6 It was noted that with a hybrid model there was greater chance of the two councils fully aligning their ICT functions with their respective organisations, while still securing economies of scale for shared infrastructure. This in turn this could increase the chance of the ICT offer to be fully responsive and more efficient.

### **Key aspects of a hybrid model**

- 5.7 The key elements of the recommended model are as follows:
- Teams relating to the data centre and networks will remain shared and will be redesigned over time to be even more efficient and effective. A revised shared services agreement will need to outline the operational management, governance and oversight arrangement for the redesigned service overtime. This will factor in the councils future plans for on-premise infrastructure with strategic governance remaining through the Shared Service Joint Committee.
  - Leadership, strategy, projects, end user computing, cloud infrastructure, applications management, schools and digital functions would be separated.
  - Following this disaggregation, any duplication with ICT teams within each council would be addressed through a redesign.
  - Both councils currently share a tenancy or shared technology platform which hosts Microsoft Office 365. This shared approach does not secure economies of scale as each council has a different approach to the use of these products in line with their priorities and service designs. It is recommended that each council should have a separate tenancy and one shared tenancy, to support legacy data/systems until such time as they are migrated or new applications are implemented, to allow greater flexibility in line with best practice. It is expected these changes to the tenancy would have happened anyway in line with security best practice but to exploit the benefits it should be done alongside a change to the delivery model.
  - Each council would then deliver an accelerated programme of rationalising the number of systems it is responsible for and also transition to cloud-hosted solutions where appropriate.
  - In addition, following the move to a new model, the councils could do more to encourage more self service and also move to a new model of ICT support known as ITIL4. ITIL is a best practice framework for ICT Service Management. Where ITIL4 differs from earlier versions is that it is focussed on value and value chains. It is still about doing the right things but it's about doing the things that deliver value to the organisation. It encourages IT organisations to eliminate the activities that

deliver little or no value. It is based on Optimisation and Automation, a move to self-service.

- The tasks above would potentially be more achievable through a hybrid model and enable each council to manage the ongoing costs of technology in line with best practice elsewhere. However, these changes would not be automatic. Moving to a new model would be necessary but not sufficient. A new way of working would be required in each council to manage ICT demand in line with needs of services but also the wider organisation.
- The benefits for users will include fewer hand offs, clearer accountability, clearer roles and responsibilities to progress ICT related issues and the ability to position skilled ICT staff closer the services they support.
- To release the benefits, each council would need to drive a new way of working where council services buy in to rationalising the number of systems required, greater use of self-serve, and to work with solutions that bring wider benefits to the organisation as a whole and its customers. In addition, each council would need to budget for a programme of decommissioning as part of their ongoing technology investment priorities following the transition to a new model.
- The new model will allow for each council to work with schools within their borough and adopt strategies and approaches to support them in line with each council's objectives.

## **6. Financial Case**

- 6.1. It is recognised that significant expenditure is incurred to support ICT day-to-day service delivery and projects. It is vital that a compelling and deliverable financial case is made to ensure any change represents value for money.

### **Baseline**

- 6.2. The budget for ICT shared service is currently £17m (gross) which is primarily funded by a combination of Business as Usual (BAU) charge to the two councils (Revenue) and Project incomes (Capital) as well as some other elements e.g., schools, project income of £6.3m and schools' income of £1m is assumed in this budget.
- 6.3. Due to reducing project income to meet current costs, reduced schools' income, and inflationary pressures, the service reported a overspend of £1.8m in 2021/22 following mitigations. An overspend of £2.3m is currently expected in 2022/23 following mitigations.
- 6.4. The total costs of ICT across the two councils were above the average benchmark although it is recognised that shared service arrangements like Cheshire were not available.

## **One off investment**

- 6.5. To transition to a new model, one-off investment of £5.1m (£2.55m per Council) would be required. This would provide:
- Technical resources and external specialist technical support to create and migrate the councils to new tenancies.
  - Transformation support, backfill for corporate enablers and shadow management to ensure the delivery of the programme and transition of the workforce.
  - A level of contingency to ensure that the programme can respond to potential risks.
- 6.6. The one-off costs will be shared 50:50 across the two councils. The investment costs above have been fully considered by both councils and prudently assessed. Soft market testing with Microsoft gold partners and reference calls with other local authorities has taken place to secure realistic supplier costs for the technical aspects of the change which makes up a significant proportion of the costs. Any existing capital budgets that would already be incurred have been excluded from the table above to provide clarity on the total additional one-off cost required.
- 6.7. Following consultation and implementation of the new model, the transfer of staff and the transition to the new model, each council would then become liable for any future risks, redundancies, migration to cloud-based solutions and decommissioning costs which are not included in this business case and would need to be factored into each council's budget planning which is currently the case.

## **Financial benefits**

- 6.8. The proposal projects financial savings of £2.67m per annum from year 3. Most of the savings would be achieved through workforce changes, particularly reduction in the use of contractors and vacancies. Contract costs are also expected to reduce by £0.5m. The scale of the benefit varies for each council as they start from different points in terms of technology investment. Potential organisational structures have been modelled in each council to provide assurance that a viable and affordable service is possible in line with the projected benefits. It should be noted that this financial benefit avoids the project future overspend. It must be noted that each council will make different choices on their organisational structures and ICT configuration so may secure more savings than these projected benefits. These benefits also combine capital and revenue.

## **Payback**

- 6.9. The table below outlines the projected payback period based on assumptions shared by both councils on the approach towards transition and including the allocation of contingency.
- 6.10. Broadly the investment is recovered by the 4<sup>th</sup> year of the programme.

	2023-24	2024-25	2025-26	2026-27	2027-28
	£000	£000	£000	£000	£000
CW&C	£1,237	£1,318	(£1,200)	(£1,200)	(£1,200)
CEC	£1,238	£1,317	(£1,472)	(£1,472)	(£1,472)
Total	£2,475	£2,635	(£2,672)	(£2,672)	(£2,672)

6.11. As shown in the table above the benefits to each council differ, this is linked to the differing levels of investment and income into the shared service from elements such as projects and schools.

### Non-Financial Benefits

6.12. The new model for ICT would achieve a number of non-financial benefits, many of which will directly benefit services, users and ultimately the communities the Councils support. these are summarised as:

- **Productivity:** The new model will allow councils to have a greater ICT presence working directly with services to focus on how technology and systems add value to their business process, supporting training and adoption, enable increased productivity and supporting each Council to meet the needs and demands from residents and communities.
- **Flexibility, agility and sovereignty:** Councils will have separate tenancies and greater flexibility to put in place the capabilities that will benefit their individual service needs and have the ability to flex the ICT model to their council's and communities needs.
- **Managing demand:** Putting in place key capabilities and supporting the move to user self-service through each Councils own networks (Bright Sparks and Tech Champs) to help manage the demands on ICT which will allow ICT to truly become a strategic enabler of transformation for each council.
- **Users benefits:** Users of ICT will experience fewer hand offs, clearer accountability, clearer understanding of who is responsible for what aspects of ICT to ultimately receive a quicker resolution of issues & requests.
- **Simplification:** Through closer working of technical and service resources the Councils will be in a better position to accelerate plans to rationalise the number of applications and to decommission redundant legacy applications.
- **ICT Employee benefits:** We will build on the flexibility and remote working already adopted to ensure wellbeing is at the centre of staff development. It will provide stability for the service(s), removing previous complexity and uncertainty in both role and structure. Both Councils investment in modern technology and equipment is also an important attraction for ICT employees. Advanced technology attracts ICT talent as they get an opportunity to fulfil their digital ambition and get hands-on experience with the latest technology capabilities, and further contribute to the Councils' digital transformation.

## 7. Approach to implementation

- 7.1. It is proposed that, the change would take place over three years, with the organisational separation and tenancy split happening within 18 months. There has been detailed consideration of the transition plan, impact on staff, resourcing, and risk management. Following the decision, a detailed implementation plan will be drafted.
- 7.2. A more detailed Gantt chart is outlined in appendix 3 outlining the key stages, activities above and estimated cost profile.
- 7.3. Key aspects of the transition would be as follows:

Key stage	Activity	Timescale
Consultation and engagement with Unions and staff	<ul style="list-style-type: none"> <li>Initial briefing and commencing consultation and engagement with unions and staff.</li> </ul>	Jan/Feb 23 and ongoing
Mobilisation	<ul style="list-style-type: none"> <li>Establish governance and programme controls</li> <li>Procure technical partner and transformation capacity</li> <li>Source internal enabling resource</li> </ul>	Feb 23 to May 23 (4 months)
Technology change	<ul style="list-style-type: none"> <li>Establish new council O365 tenancies</li> <li>Begin preparations for system consolidation and decommissioning</li> </ul>	June 23 to Aug 24 (15 months)
Workforce change	<ul style="list-style-type: none"> <li>Consultation and engagement with trade unions &amp; workforce on approach and disaggregation criteria.</li> <li>Disaggregation process</li> <li>Reconfiguration of retained shared service</li> </ul>	Feb 23 to Sept 24 (19 months)
Formalisation	<ul style="list-style-type: none"> <li>Drafting &amp; approval of shared service agreements to reflect new arrangement</li> <li>Proposed Soft Launch of the new service model</li> <li>Formal disaggregation of staff</li> </ul>	Sept 24 to Mar 25 (6 Months)
Benefits realisation managed by individual councils	<ul style="list-style-type: none"> <li>Workforce reconfiguration</li> <li>Implementation of new ways of working (ITIL 4)</li> </ul>	Jan 25 to Jun 25 (6 months)
Additional future benefits linked to	<ul style="list-style-type: none"> <li>Additional rationalisation of systems and decommissioning</li> </ul>	Jun 25 to Mar 26



further rationalisation	<ul style="list-style-type: none"> <li>• Further optimisation of retained shared service</li> </ul>	
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7.4. The transition will have its challenges and will need to be carefully managed. Both councils will need to commit leadership and management capacity to ensure the programme is well managed.

## 8. Workforce impact

8.1. Both councils fully recognise the vital contribution of all staff involved in supporting services with their technology requirements and this is a significant change for how the workforce will operate. It is essential that a considered approach is taken to supporting all staff through this transition while remaining focused on delivering a new model for ICT. Key aspects of the approach include:

- Fully engaging with the workforce on the model and ensuring that appropriate mechanisms are in place to support the ongoing engagement of and communication with the workforce.
- Fully consulting with the representative trade unions to ensure that workforce views are considered throughout.
- Putting in place arrangements for a fair disaggregation of staff to provide assurance to staff about their future.
- Enhancing opportunities for growth and development within the workforce to ensure that there are the right skills available for both Councils.
- Exploring measures that enhance retention and recruitment during and after the transition.
- Minimise as far as possible any uncertainty which may be felt throughout the transition and provide clarity and assurance to the workforce.
- Reducing the use of agency staff in non-specialist areas.
- Where possible, avoiding redundancies.

8.2. It is proposed that an approach applying the principles of TUPE to transition of the workforce would be used. The intention of this would be to protect workers and to ensure that each Council has the skills and knowledge that are required in order to deliver the service.

8.3. Following the political decision to support the move to a hybrid model, consultation will take place with trade unions and the workforce. Through the proposed governance members will be informed of any significant impact on the model or business case that arises. If further decisions are required following consultation processes they will be made through appropriate governance mechanisms.

8.4. To ensure that any risks to either council during this change are fair and shared equally, amendments to the Shared Services Agreements will be required to ensure the principle of shared liability and costs between Cheshire East and Cheshire West and Chester Councils relating to workforce disaggregation during the transition period is applied.

## 9. Governance

- 9.1. It is the responsibility of each individual council to seek approval from their elected Members to proceed with a new model and identify the one-off resources required to fund the transition.
- 9.2. If the proposals are approved, programme management governance arrangements will be mobilised. Clear workstreams have been identified with clear accountabilities to manage the transition.
- 9.3. At elected Member level it is proposed that the Shared Services Joint Committee oversee progress with the transition alongside their current responsibilities through regular reports and agenda items. They will also play a key role, going forward, to oversee the retained shared service.
- 9.4. In addition, it is recommended that strong Member oversight is provided through a joint Cheshire East/Cheshire West and Chester Council scrutiny task and finish group to update on progress throughout the programme.
- 9.5. A full governance structure is included in Appendix 2.

## 10. Learning Lessons

- 10.1. This is a complex, business change programme, affecting both councils which will require significant investment to release savings over a 3 to 4 year period.
- 10.2. Parallels will be drawn with the implementation of UNIT 4. While there are some similarities, it should be noted that this project is largely different to Best for Business. It does not require significant levels of training, immediate changes to business processes or detailed technical design at granular level. The change is more about a less complex technical change to the tenancy and an organisational design change. Nevertheless, it is important to incorporate any lessons learned into the design of this potential programme. The table below sets out the key messages from the recent lessons learned review reported to the Shared Services Joint Committee and how they have been reflected in this proposal.

<b>Lesson learned</b>	<b>Response</b>
Appropriate expertise and capacity from the outset	<ul style="list-style-type: none"><li>• Expert advice has been utilised from the outset</li><li>• Transformation and technical support will be sourced, supplemented by internal resources with funding to manage any backfill implications, and appropriate third-party skills and experience.</li></ul>
Involvement of key stakeholder groups and business change embedded throughout the programme	<ul style="list-style-type: none"><li>• Extent of business change will initially be kept to a minimum</li><li>• Engagement with staff and trade unions</li></ul>

	<ul style="list-style-type: none"> <li>• Engagement with Members throughout the process</li> <li>• Engagement with tech champions / bright sparks on any changes</li> </ul>
Clear governance and accountability	<ul style="list-style-type: none"> <li>• Governance arrangements set out in section 9 and appendix 2</li> <li>• Clearly defined workstreams and accountabilities</li> </ul>
Optimum procurement and contact management arrangements	<ul style="list-style-type: none"> <li>• Market testing for tenancy changes to provide assurance</li> <li>• Contract model will be provide flexibility to manage the programme</li> </ul>
Robust business case with prudent assumptions	<ul style="list-style-type: none"> <li>• Costs and benefits have been modelled through due diligence</li> <li>• Contingency has been included in the costs</li> </ul>

## 11. Risks

11.1. Like any major project, the transition will not be without challenges, but key risks have been identified and mitigations are planned. It is also worth noting the risk of doing nothing could mean more complexity, additional ongoing costs, and a less responsive model. The following table summarises these risks and mitigations. A fully scored risk register will be established and reported on as part of the programme and member governance.

Key Risk	Mitigations
The transition will be disruptive to the day-to-day business of each council who are increasingly dependent on stable ICT for operational delivery.	<ul style="list-style-type: none"> <li>• Services should not be visibly impacted by the technical change</li> <li>• New devices will need to be deployed but this was already planned in line with each council's upgrade policy and is a well-managed process</li> <li>• ICT support will continue to be made available to both councils during the transition and a transition to new arrangements to access support will be well communicated</li> </ul>
Staff may feel unsettled through the transition leading to challenges of retention & recruitment & impact on service delivery	<ul style="list-style-type: none"> <li>• Continuous engagement with staff will remain through-out</li> <li>• Early and continued engagement and full and meaningful consultation with trade unions</li> <li>• The transition will create new opportunities for staff and both councils will commit to support and development.</li> <li>• An assessment of key skills has been initiated and arrangement to fill key roles if critical vacancies arise have been discussed.</li> </ul>

	<ul style="list-style-type: none"> <li>• Both councils are committed to do everything they can to avoid redundancy.</li> </ul>
The transition impacts on strategic transformation programmes such as health and care integration.	<ul style="list-style-type: none"> <li>• Additional resources are factored into the cost for the programme on top of existing resources aligned to strategic programmes.</li> <li>• Programme resources through interdependency management and careful planning will work to minimise any impacts and seek out opportunities to accelerate.</li> </ul>
The programme will require commitment and resources at a time when both councils have financial challenges and existing priorities and work programmes that need to be delivered	<ul style="list-style-type: none"> <li>• Oversight of existing arrangements already consumes significant capacity at all levels.</li> <li>• Backfill funding for people in existing roles who need to be fully engaged with the project is in place.</li> </ul>
The budget for the transition is not sufficient due to external factors such as hyper inflation, market failure, policy shift leading to a request for further resource, within tight financial circumstances.	<ul style="list-style-type: none"> <li>• Technical costs have been validated with suppliers and other local authorities and recognise similar exercises carried out elsewhere in local government.</li> <li>• Contingency has been built into the financial case.</li> <li>• Strong financial reporting and risk management will be in place during the transition.</li> </ul>
The financial benefits are not accurate and are therefore not realised.	<ul style="list-style-type: none"> <li>• Initial projected savings have been reduced to be prudent.</li> <li>• There is clarity on where savings will need to be realised.</li> </ul>
The transition creates key skill gaps as specialist roles cannot be separated.	<ul style="list-style-type: none"> <li>• An assessment of these limited cases will be completed with specialist recruitment in place for key vacancies.</li> </ul>
Councils do not deliver the consolidation in complex demand leading to under delivering against projected financial benefits.	<ul style="list-style-type: none"> <li>• There is a much stronger chance of delivering these through more effective demand management approaches that are possible through a hybrid model and greater alignment to each council.</li> <li>• Financial benefits will continue to be monitored throughout the implementation of the programme and beyond.</li> </ul>

## 12. Implications of the Recommendations

### 12.1. Legal Implications

The Shared Services Administrative Agreement, ICT Shared Service Agreement and Staff Transfer Agreement set out the overall arrangements in relation to the way the councils will work together and the approach to transition away from the current model. The planned transition is in line with the principles in this agreement.

- 12.2 The councils have agreed an approach to share any liabilities relating solely to the disaggregation of the workforce and transition period that are not covered under the existing agreements and these changes will be formally agreed by way of a Deed of Variation to the Shared Service Agreements.
- 12.3 A revised Shared Service Agreement will be developed to underpin the new retained shared service arrangement, together with associated Service Definitions, Service Specifications, Service Level Agreements, Charges and Payment Mechanisms, all of which will be subject to agreement and review by the Shared Services Joint Committee.

Please see confidential appendix 4 which contains legally privileged advice.

*12.2. Financial Implications*

The financial implications of each review are outlined in section 6.

*12.3. Policy Implications*

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

*12.4. Equality Implications*

There are no direct Equality implications at this stage.

*12.5. Human Resources Implications*

Implications for Human Resources are outlined in section 8.0, Staff and Trade Unions have been briefed on the review and the recommendation and will be fully consulted with although it has been emphasised this is subject to a decision by each individual council.

*12.6. Risk Management Implications*

Any risks associated with the findings and implementation of recommendations are outlined in section 11. Key risks will also be included in each organisation's risk register as appropriate.

*12.7. Rural Communities Implications*

There are no direct implications for Rural Communities.

*12.8. Implications for Children & Young People/Cared for Children*

There are no direct implications for Children and Young People/Cared for Children.

*12.9. Public Health Implications*

There are no direct implications for Public Health.

*12.10. Climate Change Implications*

There are no direct Climate Change implications.

*12.11. Ward Members Affected*

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

**13. 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

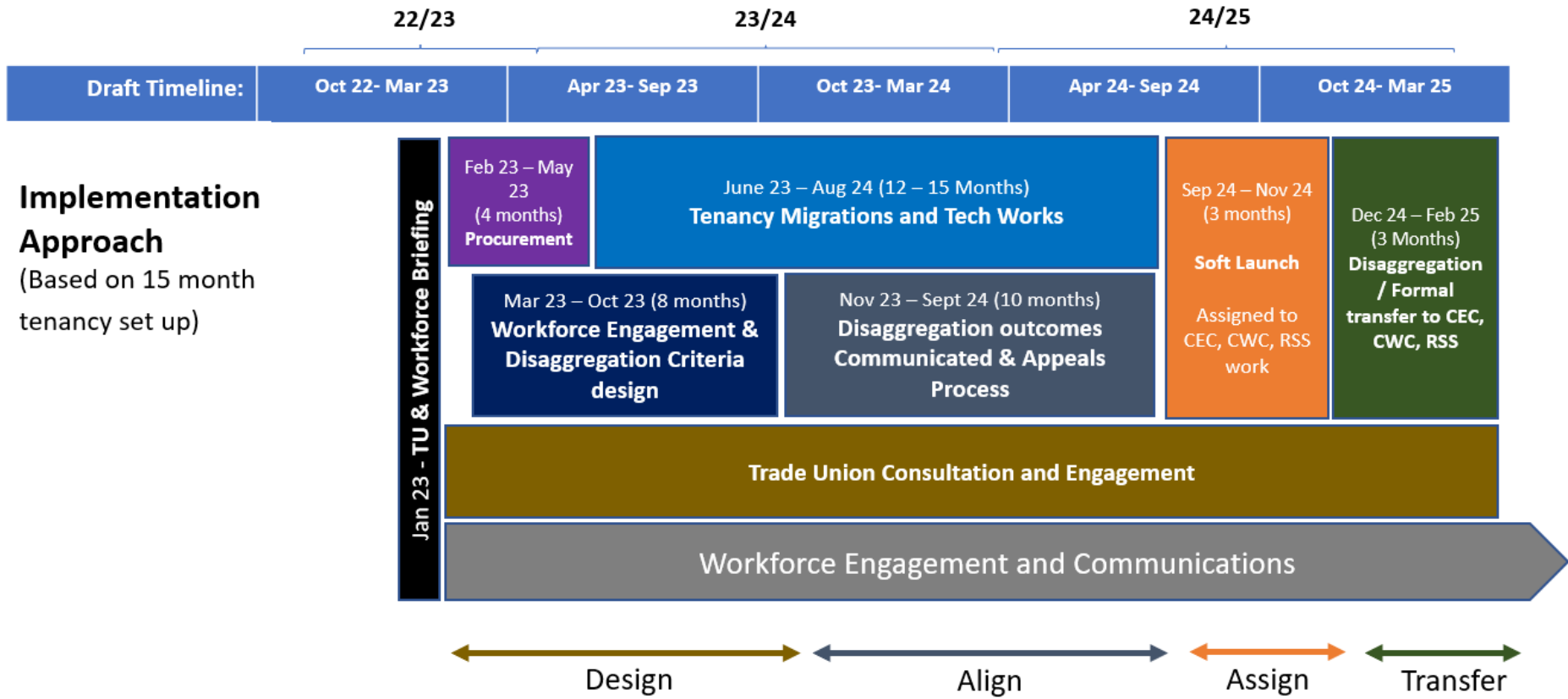
**14. Contact Information**

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

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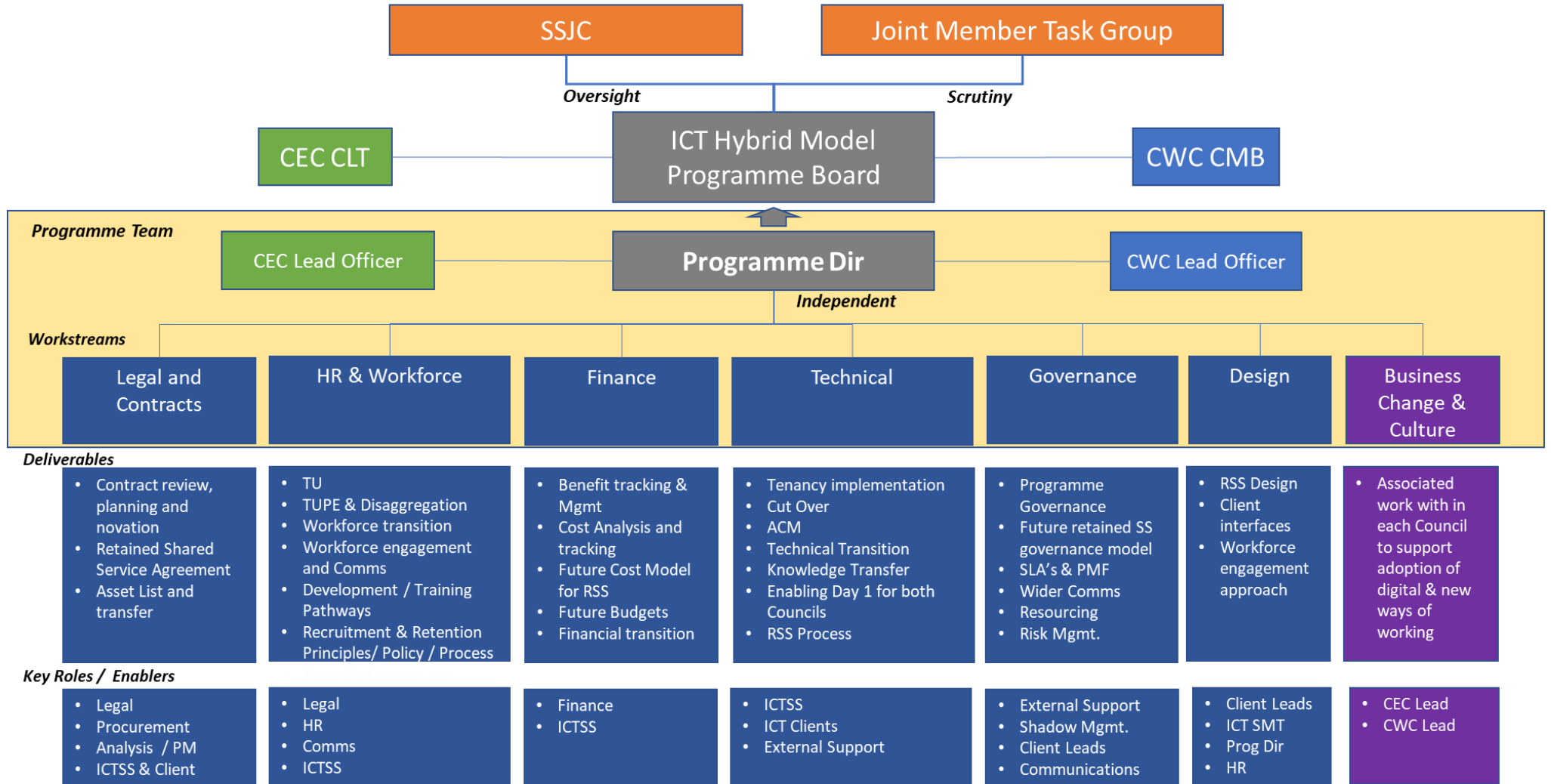
**Appendix 1: Workforce Approach**



**Implementation Approach**  
 (Based on 15 month tenancy set up)

Appendix 2: Governance structure:

**Governance - Hybrid ICT Programme**





**Appendix 3: Programme Approach Gantt Chart:**

Key stage	Activity	Timescale	23/24				24/25				25/26				
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobilisation	· Establish governance and programme controls	Feb 23 to May 23 (4 Months)	■	■											
	· Procure technical partner and transformation capacity		■	■											
	· Source internal enabling resource		■	■											
Technology change	· Establish new council O365 tenancies	Jun 23 to Aug 24 (12 to 15 months)			■	■	■	■	■						
	· Begin preparations for system consolidation and decommissioning					■	■	■	■						
Workforce change	· Engagement with workforce & trade unions on approach and disaggregation criteria	Feb 23 to Sept 24 (21 months)	■	■	■	■									
	· Disaggregation process					■	■	■	■						
	· Reconfiguration of retained shared service						■	■	■	■					
Formalisation	· Soft Launch of the Hybrid Model	Sept 24 to Mar 25 (6 months)								■					
	· Formal disaggregation of staff										■				
	· Drafting of shared service agreements to reflect new arrangements									■					
	· Agreement of revised shared service agreements										■				
Benefits realisation managed by individual councils	· Workforce reconfiguration	Jan 25 to Jun 25 (6 months)										■	■		
	· Implementation of new ways of working												■	■	
	· Additional rationalisation of systems and decommissioning with in existing plans	Jan 25 to Mar 26											■	■	■
	· Optimised retained shared service												■	■	■
			23/24				24/25				25/26				
Programme Costs Profile £000			2,475				2,635				Utilising new teams and existing budget provision				

