

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Shared Services Joint Committee**
held on Friday, 29th July, 2011 at Committee Room 1 - Wyvern House, The
Drumber, Winsford, CW7 1AH

PRESENT

Councillors David Brown, Wesley Fitzgerald, Peter Mason, Mike Jones,
Herbert Manley (for Cllr Ford) and Stuart Parker (for Cllr Riley)

Apologies

Councillors Les Ford and Lynn Riley

Officers

Julie Gill, Director of Resources
Lisa Quinn, Director of Finance and Business Services
Caroline Elwood, Borough Solicitor
Jackie Gray, Lead Officer for Performance and Audit
Julie Openshaw, Legal Team Leader
Helen Makin, Solicitor
Paul Mountford, Democratic Services Officer

1 APPOINTMENT OF CHAIRMAN FOR THE MUNICIPAL YEAR 2011/12

RESOLVED

That Councillor Peter Mason be appointed Chairman for the 2011/12
municipal year.

Councillor Mason in the Chair.

2 APPOINTMENT OF VICE-CHAIRMAN FOR THE MUNICIPAL YEAR 2011/12

RESOLVED

That Councillor Les Ford be appointed Vice-Chairman for the 2011/12
municipal year.

3 DECLARATIONS OF INTEREST

No interests were declared.

4 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present.

5 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting of 18th March 2011 be approved as a correct record.

6 SHARED SERVICES PERFORMANCE OUTTURN 2010-11 AND BUSINESS PLAN REVIEW 2011-12

Members considered a summary report on the outturn position for shared services, including:

- an overview of performance for the long term shared services; and
- detailed financial performance for shared services including those in transition.

The report included a forward looking summary of the challenges facing the long term shared services during the current year based on the three year Service Plans (2010 to 2013) approved by the Joint Committee in October 2010.

In terms of overall performance, the report indicated that the majority of the long term shared services appeared to be delivering to plan under the sharing arrangements. Only the ICT, Libraries and Youth Offending Shared Services had demonstrated a mixed performance.

In terms of financial performance, the report indicated that, while a number of services had reported an underspend, the overall position showed an overspend for shared services, which both Councils had accommodated in their overall position.

In preparing budgets for the current year all long term shared services had been subjected to a budget challenge process aimed at generating significant efficiencies over the next three years. As a result, shared service managers had revisited their Service Plans to review the impact on service delivery for 2011-12.

During 2010-11, 3 Shared Services terminated and transition logs were produced for these. There was a significant reduction in the number of shared services going forward for 2011-12 with a further 7 services terminating in April 2011, and an additional service was planned to close in September 2011.

Within Cheshire East, the 2010-11 Shared Services outturn revealed an overspend of £2.6m which was concentrated in the two main areas of

Integrated Transport and ICT. The overall Shared Service outturn for Cheshire West and Chester of £569k overspend, related primarily to the ICT position which was partially offset by a number of underspends within other Shared Services. Further details were given in the report.

Overall Shared Service efficiencies are set to deliver in excess of £1.5m in 2011-12 based on the budget challenge exercise undertaken late in 2010. However many managers had included a risk that these efficiencies might not be achieved due to a number of factors.

All long terms shared services had confirmed that business continuity plans were in place or would be before the end of 2011.

The Officers indicated that future reports would include more specific measures of performance and would address risk.

In considering the report, Members asked that where significant variations in performance were identified, these be brought to Members' attention at an early stage with proposed corrective measures so that action could be taken in good time. In this respect, they asked that quarterly performance management reports be submitted to the Committee.

RESOLVED

That

- (1) the Shared Services outturn performance for 2010 -11 and the impact of planned efficiency savings on delivery for 2011-12 be noted; and
- (2) quarterly performance reports be submitted to future meetings.

7 SHARED SERVICES REPORT REGARDING: CLOSEDOWN OF CBS SUPPLIES

Members considered a report summarising the outcome of the closedown of CBS Supplies.

The decision to cease the operation of CBS Supplies had been confirmed by the Shared Services Committee on 7th January 2011.

The financial implications for the closedown showed a net cost of £596,599. The actual redundancy, early retirement and actuarial costs were less than the original forecast of £1.085m.

CBS ceased trading on 11th February 2011.

RESOLVED

That the transition log and termination of Shared Services Agreement in respect of CBS Supplies be approved.

8 SHARED SERVICE POSITION STATEMENT AND TERMINATION OF SHARING ARRANGEMENTS

Members considered a report summarising the current position of the shared service arrangements between Cheshire East (CE) and Cheshire West and Chester Councils (CWAC). In particular, the report highlighted those short term shared services that had recently disaggregated to enable a transition to separate delivery arrangements in each Council.

A number of shared services had committed to undertaking strategic reviews to determine the most appropriate delivery model for the future in their business plans.

An overview providing a current position statement on each shared service was contained in Appendix 1 to the report.

The Archaeology Planning and Advisory Shared Service had been due to disaggregate in favour of a Service Level Agreement between CWAC (the provider) and CE (the client). However, during negotiations consideration was given to an improved sharing arrangement. It was envisaged that this would be in place by the end of June 2010 but given the added complexity of the new arrangements and the time taken to formalise the arrangements, the Chairman and Vice-Chairman of the Joint Committee were requested to agree a short extension until the end of July to enable the legal process to be completed. At the meeting, Members were updated on the proposed arrangements and agreed that the revised legal documentation be finalised by Legal Officers as appropriate.

During 2010-11 the transition of the following short-term shared services had been completed with activity disaggregating to CE and CWAC:

Commissioned Community Equipment Shared Service
Children's Centre Programme Management
Emergency Duty Team

The Libraries Support shared service provided specialist and business support functions to support libraries and customers. One of the service's key objectives was to co-locate its activity to a single site with a view to securing economies of scale and further efficiencies. In order to identify these savings and decide the future shape of the shared service, the Shared Service Manager was proposing to undertake a service review as soon as the co-location project had been completed. It had been suggested that there may be benefit in involving the Joint Committee in the review process

RESOLVED

That

- (1) the overall position statement relating to current shared service arrangements be noted;
- (2) the following Shared Services Agreements be terminated based on the information supplied in the relevant Transition Log:

Commissioned Community Equipment Shared Service
Children's Centre Programme Management
- (3) the Emergency Duty Team Transition Log be endorsed subject to an outstanding recruitment issue and final sign-off be delegated to the Joint Officer Board;
- (4) the long term extension of the Archaeology Shared Service agreement be approved on the basis of the update provided at the meeting and the agreement be signed accordingly; and
- (5) the opportunity for Members to be actively involved in a planned review of the Libraries Support Shared Service be welcomed and in this respect Councillors David Brown and Stuart Parker be invited to participate in the review.

The meeting commenced at 3.00 pm and concluded at 3.52 pm

Councillor Peter Mason (Chairman)