

## Shared Back Office – Update

**To:** Advisory Panel Performance and Capacity: 11 December

**From:** Ian Simpson Policy and Performance Lead (01270 529608)

### Background

Following the report by Deloitte, Cheshire East Cabinet approved, in principle, a shared service with Cheshire West and Chester for transactional finance, procure to pay, transactional HR and ICT Services (except Strategic function) at its meeting on 7<sup>th</sup> October

The Leader and Chief Executive agreed to commission John Newton, who led the Deloitte's research to help us with the next stage towards implementation. John has recently set up his own consultancy firm New Networks. John is not and will not be working for Cheshire West at the same time.

### Towards implementation

For Cheshire East to implement this in principle decision we recognised the need to strengthen our client position; what is it we would want a shared service to do and achieve for us? We are now taking a number of actions to take this forward in order to reach a position where we can engage again with Cheshire West and Chester to agree the overall governance, standards of service and commercial arrangements for the shared service and also identify the reserve position if agreement on the above cannot be reached.

A project group has now been established comprising a core team of:

Ian Simpson	Commissioning
Lisa Quinn	Governance / Client
John Newton	Project Management
Vanessa Coates	HR Transactional Services
Neil West and John Barrett	ICT Services
Tim Smith and Paul Goodwin	Financial Services

A Project Plan is in place. The team are meeting each week.

### Products

The team is developing a number of key products:

1. **Key Outcomes document** - the overarching key service outcomes that will be used to scope the statement of requirements. A set of principles intended to serve as an indication of how the processes and activities can align with the aspirations and developmental direction of travel of Cheshire East as an organisation. It will demonstrate that the service is offering more than just a

basic response to a service specification – it is contributing towards the successful design and development of a modern, effective Council. Draft outcomes include: ‘Supporting a 21<sup>st</sup> Century Operating Model’, ‘Client-focused’, ‘Acting as an Efficiency Enabler’ and ‘Asset Maximisation’.

2. **Statement of requirements** - Service specifications confirming scope and broad approach, performance, compliance, management and charging
3. **Service Level Agreement** – Describes how the services will be provided and managed on an operational day to day basis.
4. **Governance agreement** - Will detail the constitutional arrangement under which the two organisations will operate and set the overall direction and development strategy for the services and their optimisation. (We are separately engaging external advisors, Eversheds to advise us further).
5. **Plan Bs** – How we will operate all these services as stand alone Cheshire East Services, still using a shared infrastructure on April 1 if agreement cannot be reached with Cheshire West and Chester
6. **Negotiation Strategy** – A commercial confidential document determining tactics and the position to be held in engaging with Cheshire West and Chester. The parameters officers can work within under delegated authority to negotiate and which areas will require direction from the Cheshire East Management Team and Cabinet Member.

## **Next Steps**

**Cheshire West and Chester** - We understand Cheshire West and Chester have engaged their own consultants to carry out a similar client development exercise for themselves. This is very positive news and should then help both organisations come back together and negotiate how the services will be operated as a shared back office.

**Product Development** - The Project Team will continue to develop the products described above.

**Internal Governance** – Management Team briefed on 20 November, Cllrs Keegan, Brown and Mason on 25 November, Staffing Committee and Trade Unions on 27 November and Cabinet on 2 December and P&C Advisory Panel on 11 December.

The project team will continue to work with Cabinet Members Keegan, Brown and Mason to develop the products referred to.

**Staff Communication** – A briefing statement will be provided for ‘Talking East’. Crewe Senior Managers have requested a briefing on 17 December.

**Engage with Cheshire West and Chester** - We plan to be in a position to engage with Cheshire West and Chester again in the period 8 – 19 December - to negotiate agreement

**Joint Operational Implementation Team** - If agreement can be reached a unified Project Team will be set up to implement the Back Office Shared Service (5 Jan – 31 March). Alternatively two teams set up to implement Plan B. The implementation will go beyond 31 March – its exact scope to be further defined.