

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

REPORT TO: SHARED SERVICES JOINT COMMITTEE

| | |
|-------------------------|--|
| Date of Meeting: | 3 February 2010 |
| Report of: | Cheshire East – Borough Treasurer & Head Of Assets Cheshire West & Chester – Director of Resources |
| Subject/Title: | Shared Services Report regarding: <ul style="list-style-type: none">• Disaggregation of transitional shared services• Strategic review progress• Future schedule |

1.0 Report Summary

- 1.1 This report provides an update on activity relating to transitional shared services. It indicates which services, where the sharing arrangements were scheduled to end in 2009, have successfully completed the disaggregation.
- 1.2 The report also provides the Shared Services Joint Committee with an update on the work programme relating to strategic service reviews and the relationship to VR decisions being put to the Joint Committee.
- 1.3 Also included in this report is a proposed schedule for future items for consideration by the Joint Committee.

2.0 Recommendations

- 2.1 That members confirm the closure of shared service arrangements for those services disaggregating in 2009 where the transition has now been completed and approved by Joint Officer Board, i.e. the Schools Admissions service. Details of the transition work are provided in sections 7 and 12.
- 2.2 That members note the progress to date relating to the strategic reviews currently underway and the relation to the separately documented VR proposals to the Joint Committee.
- 2.3 That members note the future agendas and proposed items for the Joint Committee and approve the programme of work required to meet this schedule.

3.0 Reasons for Recommendations

- 3.1 The shared governance and financial arrangements should be ceased for the service that has been disaggregated as both Councils have now taken over the responsibilities associated with this service.
- 3.2 Details of the strategic reviews currently underway are provided to inform members of the work in progress and inform the consideration of the VR proposals for Members.
- 3.3 The proposed schedule of items for consideration has been included in this report in order to respond to questions previously raised by Members and to enable better planning of Joint Committee meetings.

4.0 Wards Affected

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

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Climate change - Health

- 6.1 None.

7.0 Financial Implications for Transition Costs

- 7.1 The net costs, not including grant income, associated with the Schools Admissions shared service that has now been disaggregated has been calculated as £173,613.
- 7.2 This cost compares with £179,000 as set out in the original business plan for this shared service. As such, this service has delivered within the agreed total budget for the service despite incurring additional cost due to the extension of the sharing arrangement for a period of 2 months, as previously approved by the Joint Committee.
- 7.3 Both Councils are now monitoring budgets and costs associated with this service separately, with no further recharges and cost sharing arrangements required.

8.0 Financial Implications 2009/10 and beyond

- 8.1 Each Council is now separately responsible for managing budgets and costs for this service.

9.0 Legal Implications

- 9.1 As the sharing arrangements for the Schools Admissions service have now ended, the following legal documents govern the procedures for finalising the disaggregation of service:

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

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

- 9.3 These documents and legal advice indicate that confirmation of the cessation of sharing arrangements by the Joint Committee is sufficient to legally end a shared service.

10.0 Risk Management

- 10.1 There is a risk that the services provided by each Council separately do not deliver the required respective operational and financial outcomes. This will be monitored by each Council separately.

11.0 Background and Options

- 11.1 Legal arrangements, business plans and service delivery statements have been developed for all shared services and presented to the Joint Officer Board and the Joint Committee.

- 11.2 The Business Plan supplements the Service Agreement. It provides details of the Shared Service operation, plans and investment for the next three years. However, the requirements beyond the first year of operation are subject to change as each Council further develops their needs and objectives. As such, the Business Plan is subject to yearly review and amendment as appropriate.

- 11.3 The Service Delivery Statement sets out the measures by which the shared service performance will be assessed, including performance indicators and benchmarks.

- 11.4 All services are now working in accordance to these agreements and plans, delivering services to both Councils under the guidance of the Joint Officer Board and the Joint Committee.

12.0 Disaggregating Services

- 12.1 The Schools Admissions shared service has now completed the disaggregation to separate services provided by each Council. The sharing arrangements for this shared service were extended by the Joint Committee to enable issues with staffing, ICT and support processes to be resolved while service continuity was maintained.
- 12.2 Reports have been provided to the Joint Officer Board evidencing the completion of the transition to ensure that both Councils have effectively taken over the work provided by these services. Both Councils have set up separate services, with appropriate staffing levels, taken over all statutory duties and split budgets.
- 12.3 The costs associated with each service have been calculated and the appropriate recharges made between the Councils.

13.0 Strategic Reviews

- 13.1 In accordance with the business plans for shared services, strategic service reviews have started for the following services:
- Libraries Specialist & Support Services;
 - Highways & Geotechnical Laboratory;
 - CBS Supplies.
- 13.2 Terms of reference for these reviews have been documented and agreed at the Joint Officer Board. Further reviews are scheduled to start in the near future. The output of all reviews will be presented to the Joint Committee for consideration.
- 13.3 The Libraries Specialist & Support services review has initially been investigating the potential for efficiency savings predicated on co-location of elements of the service.
- 13.4 While appropriate accommodation for the service is still being sought, with locations in both East and West Cheshire being investigated, a number of initial efficiency savings have been identified and agreed by service managers in Cheshire East and Cheshire West & Chester. These are presented in a separate paper to the Joint Committee. Further savings may be possible once an appropriate location has been found; Joint Committee approval will be sought for the relocation and appropriate efficiency savings.

- 13.5 The review will, once the location issues have been resolved, seek to improve the operation of the shared service, focusing on commercial opportunities, e.g. with Schools, process improvements and cultural issues to ensure that the service is self-sufficient so far as is possible and is configured to maximise efficiency and deliver the appropriate service to both clients, Cheshire East and Cheshire West & Chester.

14.0 Future Joint Committee Schedule

- 14.1 At the last Joint Committee meeting in November 2009, questions and points of clarification were requested about the future schedule of decisions that are required from the Joint Committee.
- 14.2 The schedule for Joint Committee includes:
- Evaluation of the outcome of strategic service reviews;
 - Confirmation of the closure of shared service arrangements for those services disaggregating in 2010;
 - Performance and financial reviews for shared services;
 - Review of revised Business Plans and Service Delivery statements for all continuing shared services.
- 14.3 Other items such as VR proposals as they arise from the above are not shown in the schedule at this time as is the case with general shared services issues, such as the review of the secondment model currently in place.
- 14.4 Where possible, similar items have been grouped to provide themes for the future Joint Committee meetings.

| Service Name | Feb | Mar | Apr | May | Jun | Jul | Aug | TBD |
|--|--------------------------|-----------------|--------------------|---------------------|-----------------|--------------------|----------------------|----------------------|
| HR & Finance | | | Review performance | | | Review performance | Review Business Plan | Review performance |
| ICT | | | Review performance | | | Review performance | Review Business Plan | Review performance |
| Farms Estate | | | | | Evaluate Review | | Review Business Plan | |
| Civil Protection | | | | | | | Review Business Plan | |
| Occupational Health | | | | | | | Review Business Plan | |
| Archives | | | | | | | Review Business Plan | |
| Libraries | Evaluate VRs from review | | | | Evaluate Review | | Review Business Plan | |
| Emergency Duty Team | | | | | Evaluate Review | | Review Business Plan | |
| International Unit | | | | | Evaluate Review | | Review Business Plan | |
| Rural Touring Network | | | | | | | Review Business Plan | |
| Approved Mental Health Professional | | | | | | | Review Business Plan | |
| Autism Support | | | | | | | Review Business Plan | Sign-off transition |
| Sensory Impaired Services | | | | | | | Review Business Plan | Sign-off transition |
| Urban Traffic Control | | | | | | | Review Business Plan | Sign-off transition |
| Highways & Geotechnical Lab | | Evaluate Review | | Sign-off transition | n/a | n/a | n/a | n/a |
| Highways Maintenance Contract | | | | | | | Review Business Plan | Sign-off transition |
| Integrated Transport Services | | | | | | Evaluate Review | Review Business Plan | Sign-off transition? |
| Children's Centres Development Programme | | | | | | | Review Business Plan | |
| Schools Admissions | Sign-off transition | | | | | | | |
| Student Finance | | | | | | | Review Business Plan | Sign-off transition |
| Archaeological Service | | Evaluate Review | | Sign-off transition | n/a | n/a | n/a | n/a |

| Service Name | Feb | Mar | Apr | May | Jun | Jul | Aug | TBD |
|----------------------------------|------------|-----------------|-----------------|---------------------|---------------------|------------|----------------------|----------------------|
| Drug & Alcohol Action Team | | Evaluate Review | | Sign-off transition | n/a | n/a | n/a | n/a |
| Commissioned Community Equipment | | | Evaluate Review | | | | Review Business Plan | Sign-off transition |
| Learning Resource Network | | | Evaluate Review | | | | Review Business Plan | Sign-off transition |
| Domestic Abuse Partnership | | | | Sign-off transition | n/a | n/a | n/a | n/a |
| Visual Impairment Services | | | | Sign-off transition | | | | |
| NVQ Assessment Centre | | | | Sign-off transition | n/a | n/a | n/a | n/a |
| Waste & Mineral Planning | | | | Sign-off transition | n/a | n/a | n/a | n/a |
| CBS Supplies | | Evaluate Review | | | Sign-off transition | n/a | n/a | n/a |
| Youth Offending Team | | | | | Evaluate Review | | Review Business Plan | Sign-off transition? |

15.0 Access to Information

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

Officer: Lisa Quinn, Borough Treasurer & Head of Assets – Cheshire East Council / Julie Gill, Director of Resources – Cheshire West & Chester Council
Tel No: 01270 686628 / 01244 977830
Email: lisa.quinn@cheshireeast.gov.uk / Julie.gill@cheshirewestandchester.gov.uk

Background Documents:

Documents are available for inspection at:

Cheshire East Cabinet Report – Shared Services – 7th October 2008
Cheshire West and Chester Executive Report – Joint Liaison Committee
Recommendations: Caretaker and Nominated Councils; Shared Services:
Service Delivery Option; Shared Back Office Services – 15th October 2009
Cheshire East Cabinet Report – Shared Services – 3rd March 2009
Cheshire West and Chester Executive Report – Shared Services – 18th March 2009
Cheshire East Cabinet Report – Shared Services – 23rd March 2009
Cheshire Shared Services Joint Committee Report – 10th June 2009
Cheshire Shared Services Joint Committee Report – 13th July 2009
Cheshire Shared Services Joint Committee Report – 3rd September 2009
Cheshire Shared Services Joint Committee Report – 30th September 2009
Cheshire Shared Services Joint Committee Report – 26th October 2009
Cheshire Shared Services Joint Committee Report – 26th November 2009

Documents are available for inspection at:

Cheshire East Democratic Services
Westfields
Middlewich Road
Sandbach
CW11 1HZ