

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

REPORT TO: SHARED SERVICES JOINT COMMITTEE

Date of Meeting:	12 March 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">• Proposals for early disaggregation and transition for transitional shared services• Proposed structural and location changes in transitional shared services• Proposed extensions to transitional shared services

1.0 Report Summary

- 1.1 This report provides an update on activity relating to transitional shared services and proposals that affect their operation that require consideration by the shared Services Joint Committee.

2.0 Recommendations

- 2.1 That members approve the proposed changes to the shared service arrangements for:
- Sensory Impaired Services
 - Student Finance
 - Learning Resource Network
- 2.2 That members formally approve the ICT business plan as the basis for the operation of the ICT shared Service for 2009/10, recognising that it will be revised for the next financial year.

3.0 Reasons for Recommendations

- 3.1 The proposed changes for these services have been agreed with operational managers from both Councils and the shared service managers in accordance with the general shared service governance.
- 3.2 The changes to the Sensory Impaired Service provide clarity over the management arrangements for teams that are focused upon the

delivery of services to the geographical areas covered by Cheshire East and Cheshire West & Chester, while retaining the benefits of shared arrangements where appropriate.

- 3.3 The changes to the Student Finance shared service provide clarity over the team structure for the next year and provide an opportunity to transition these functions to the long-term arrangements earlier than originally anticipated.
- 3.4 The changes to the Learning Resource Network enable the functions delivered by this shared service to continue to be delivered while the most appropriate long-term arrangement is considered.
- 3.5 The ICT business plan was not formally approved by the Joint Committee. For completeness this needs to be approved as the basis of the operation of the shared service for 2009/10, recognising that it will be revised for the next financial year.

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 For the changes to the Sensory Impaired Shared service, there are no additional costs associated with Phase 1 of the proposed disaggregation. Subsequent disaggregation may incur costs, though these have not changed from those originally developed for this transition.
- 7.2 The costs associated with the HR changes to the Student Finance service are presented separately. Other costs have not changed from those originally developed for this transition.

- 7.3 It should be noted that for the early handover of the functions of the Student Finance shared service no funding will be removed from the Council for an early transfer and staff will be released to undertake other work within the Council in their new role, thus potentially realising savings for both Councils.
- 7.3 For the Learning Resource Network, the business plan for 2009/10 indicated that costs of £140,905 were anticipated for the shared service. Assuming that the service continues in its current form, an additional cost of approximately £70,000 will be incurred in order to extend the shared service. This will, however, be offset by the reduced funding required for a disaggregated service – no figures are available for this at this time.

8.0 Financial Implications 2009/10 and beyond

- 8.1 For those services which are disaggregating, each Council will be separately responsible for managing budgets and costs for this service.
- 8.2 For those services where the sharing arrangement is extended, the contribution of each Council will need to be considered through an updated business plan that will now need to be agreed by both Councils.

9.0 Legal Implications

- 9.1 As the sharing arrangements for the Sensory Impaired Service, Student Finance and Learning Resource Network are being revised, the following legal documents will need to be revised:
- 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 A formal resolution of this Committee is necessary to provide a legal basis for the cessation or extension of a shared service.

10.0 Risk Management

- 10.1 There is a risk that, where services are disaggregated, 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.

- 10.2 There is a risk that, where services are being extended, they do not deliver the required operational and financial outcomes required by both Councils. This will be monitored by the Joint Officer Board and Joint Committee.

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. However, as work progresses to deliver the work in these plans, potential opportunities and improvements are coming to light which require changes – three such opportunities are identified below.

12.0 Sensory Impaired Service

- 12.1 The original premise for maintaining this as a shared service until March 2011 was:
- To enable the flexible deployment of specialist staff to ensure continuity of provision for children, families and settings
 - To work towards a division of East/West caseloads, specialist equipment and pupil files
 - Time to offset the shortage of staff with additional qualifications/expertise in areas such as; Braille, sign language and additional needs through external specialist training routes
- 12.2 Due to work in both Cheshire East and Cheshire West & Chester, most of the above criteria have already been met as:
- Individual pupil files are now located within the correct authority
 - Audiological equipment has been divided on an East/West basis.
 - The majority of teaching caseloads are divided East/West with a few exceptions

- By 31st March 2010 the identified gaps in skills will have been met by training: and whilst recruitment of teachers holding the mandatory qualification remains a challenge the following arrangements have been made through staff development
- 12.3 In response to this progress it is proposed to bring forward the date for disaggregation of elements of this service through a phased approach beginning as early as possible in 2010. This early disaggregation will allow:
- Coordinators to contribute to the strategic planning for new services in both authorities now
 - Practical issues in meeting the demands in each authority will be resolved
 - Management systems for service will be clear and responsive regarding day to day matters, i.e. Staff will be clear about the requirements and systems within each authority
 - Equity of provision will be maintained in each authority
 - Clarity of financial details, accountability, systems will be enhanced
 - Human resource issues to be simplified resulting in less delay and misunderstandings
 - Moves to new locations which will enhance service delivery and clarity over clerical support
- 12.4 It is proposed that a 2 phase approach is taken to disaggregation:
- Phase 1; March 2010 - the proposal is to treat the specialist teaching and teaching assistant staff as one group for this exercise and disaggregate accommodation, budget and management.
 - Phase 2; from March 2011 - Broaden disaggregation to include Technicians, Specialist Teaching Assistant Hearing Impairment, Typing tutors and the Production Base from March 2011 as initially agreed.
- 12.5 The following implications of this proposal have been identified for 2010:
- Cheshire West and Chester - Four west staff currently working from Cheshire East buildings as part of the current pan-Cheshire service will need to be relocated into Cheshire West and Chester offices.
 - Cheshire East - Consider establishing a Service Level Agreement to use the Specialist Teaching Assistant (Hearing Impairment) who is vested to Cheshire West and Chester. Much of the post holder's specialised work is currently in Cheshire East and this proposal would enhance continuity.
 - Cheshire East - need to find office space for the East Sensory Coordinator and a location (preferably in Crewe) for the Admin Officer as both of these staff currently work from west buildings as part of a pan-Cheshire service.
 - Cheshire East - The temporary location of one teacher and 3 STAs working out of the Shavington High school, Crewe (due to lack of space at Delamere House) ends August 2010. These staff need to

be relocated with rest of the Cheshire East Sensory Team in new premises.

12.6 The following implications of this proposal have been identified for 2011:

- Both Cheshire East and Cheshire West & Chester need to employ their own Technician (HI/VI) for 15 hours a week minimum due to the amount of work that is generated from the provision of specialist equipment to pupils with a sensory impairment.
- There are major considerations with regard to the need for a Sensory Production Base in both local authorities. This is due to the complexity of software licences, shared equipment and sharing of workflow to ensure all pupils needs are met in both authorities.

12.7 Officers with oversight of Sensory Impairment in both Cheshire West and Chester and for Cheshire East are in agreement that finalising the division of the service will allow the respective teams to work efficiently and meet statutory responsibilities. Beginning such separation now will allow both local authorities to begin to establish their respective vision for Sensory Impairment.

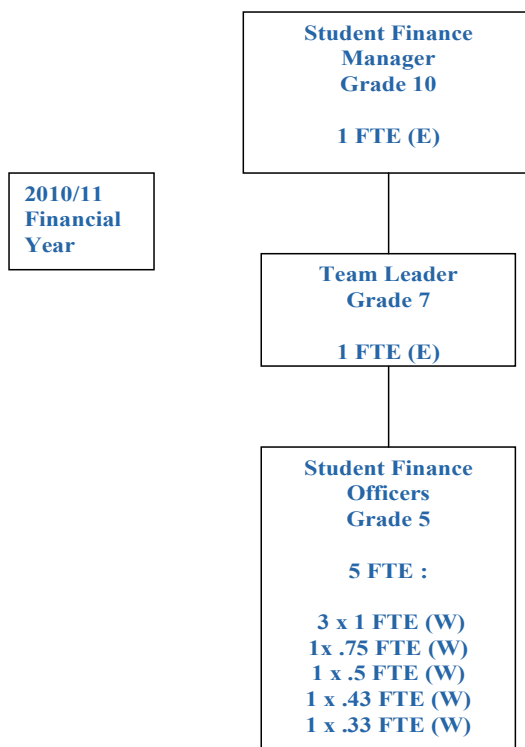
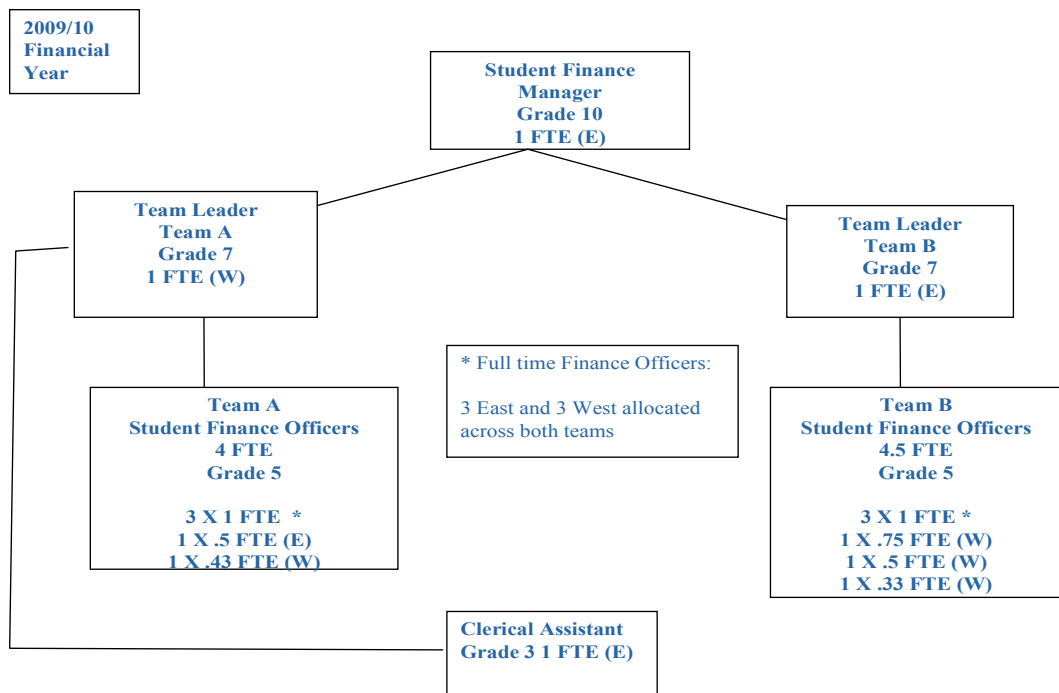
12.8 The shared view is that smaller teams co-located from one base will be more cost effective, as well as enabling the teachers, teaching assistants and other colleagues to meet more regularly which will facilitate greater cohesive working patterns.

12.9 In order for the service to continue to meet the needs of children and young people it is suggested that the move from Shared Services takes place as soon as practically possible with a recommended start date of 31st March 2010. This coincides with a number of staffing changes which are presented separately to the Joint Committee for consideration.

13.0 Student Finance

13.1 In accordance with the business plans for shared services, strategic service reviews have started for the following services:

13.2 The Transition Plan included in the business plan for this shared service outlined the proposed staffing reductions to be in place by the start of the 2010/11 financial year. The current and future structures are shown below.



- 13.3 A number of staffing changes are required to introduce this revised structure. These presented separately to the Joint Committee for consideration.
- 13.4 The performance of the service will be impaired if the remaining staff become insecure about their future employment when the service ends. Discussions are ongoing with the Shared Service Liaison group to redeploy all staff to suitable alternative positions at an appropriate time and minimise the operational risks of staff leaving early.

- 13.5 It is proposed to physically relocate all staff within the Strategic Support service around September 2010 which will provide an opportunity for staff to integrate other work and increase the prospect of successful job applications in another team. Staff will be given access to the redeployment scheme at an appropriate time. Each Council will be responsible for redeploying their own staff.
- 13.7 All local authorities were expected to retain statutory responsibilities until 31 March 2011 and handover at that date. The Department for Business Innovation and Skills (BIS) have now invited expressions of interest for an earlier handover date from January 2011. The view of the Liaison group is that an early handover may be beneficial and therefore a January handover has been requested (but cannot be guaranteed).
- 13.8 No funding will be removed from the Council for an early transfer and staff will be released to undertake other work within the Council in their new role. As such, it is proposed that the Shared Service progress an early handover of functions, if possible.

14.0 Learning Resource Network

- 14.1 The Learning Resource Network is a transitional shared service which is due to transition to the appropriate longer-term arrangements at the end of March 2010.
- 14.2 Work has been underway to identify an appropriate external organisation to take over the functions delivered by this shared service to both Councils and the wider partnership. This work has concluded that, at the current time, there is no appropriate organisation interested in taking over this function.
- 14.2 It is therefore proposed that the current sharing arrangements be extended for a period of 6 months to enable a strategic review to be undertaken to assess the potential options for the future of this shared service and provide a recommendation to the Shared Service Joint Committee. Work on this review has started, with the terms of reference agreed by Joint Officer Board.

15.0 Access to Information

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

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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
Cheshire Shared Services Joint Committee Report – 3rd February 2010

Documents are available for inspection at:

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