

Shared Services Joint Committee

Date of Meeting: 02 August 2019

Report Title: Background and Overview of Shared Services

Senior Officer: Alex Thompson: Director of Finance and Customer Services

1. Report Summary

1.1 This report sets out the background to, and an overview of, the Shared Services that currently exist between Cheshire East Council and Cheshire West and Chester Council, to give shared service committee members an understanding of the current shared services and how they operate.

1.2 There are currently 8 shared services:

1. Archaeology Planning and Advisory Service
2. Archives and Local Studies
3. Cheshire Farms Service
4. Civil Protection and Emergency Planning
5. ICT Shared Services
6. Libraries Specialist Support Service
7. Rural Touring Arts Service
8. Transactional Services (Recruitment & Pay and Payments & Income)

1.3 The Shared Services Joint Committee (SSJC) takes an overview of all of the shared services, with a particular interest in ICT and Transactional Services, the two largest shared services. Oversight is also taken of other shared projects, which at present, include:

- The Archives Project
- Evolution Project (ICT)
- The Best4Business programme

1.4 The SSJC meets 2 to 3 times per year and is supported by the Joint Officer Board (JOB), which comprises of officers from across both councils, who develop reports for the SSJC.

2. Recommendation/s

2.1 It is recommended that Elected Members note the overview of the shared service arrangements.

3. Reasons for Recommendation/s

- 3.1 To help elected members, appointed to SSJC Shared Services Joint Committee, following the May 2019 elections, to become familiar with the work of the SSJC and how it operates.

4. Other Options Considered

- 4.1 Not applicable

5. Background

- 5.1 Shared Service arrangements were originally put in place between Cheshire East Council (CE) and Cheshire West and Chester Council (CWaC), as a result of the Local Government Reorganisation in April 2009, to ensure business continuity across a range of service areas where there was a strategic benefit and/or limited/or insufficient time for effective disaggregation. At this time there were 32 shared arrangements in place, which has now reduced to eight.

- 5.2 There are now eight remaining shared services, as set out below.

REF	SERVICE	SS MANAGER & CLIENT MANAGERS	SUMMARY POSITION
A03	Cheshire Farms Service	SS Manager - David Job CE Client – Andy Kehoe CWAC – Graham Pink	Only the “management” of the CE and CWaC Farms Estates is shared. The Service is hosted by CE under a Secondment Agreement
Each estate A04	Civil Protection and Emergency Planning	SS Manager – Chris Samuel CE Client – Paul Bayley CWAC Client – Vanessa Whiting	This service is under the Shared Service governance arrangements but has an additional layer of informal governance via the Joint Emergency Planning Liaison Board (JEPLB). The JEPLB is not formally constituted and therefore has no powers as a governing body. The Service is hosted by CWaC under a Secondment Agreement
A06	Archives and Local Studies	SS Manager – Paul Newman CE Client – Helen Paton CWAC Client – Lisa Harris	This is a Shared Service with all staff employed by CWaC. A project is underway to provide alternative premises that meet the needs of both authorities

A08	Libraries Specialist Support	SS Manager – Rachael Foster CE Client – Joanne Shannon CWAC Client – Rachael Foster	This is a Shared Service operates under a renewable three year agreement between CWaC (the provider) and CEC (the Client).
A14	Rural Touring Arts Network	SS Manager – Jan Henry CE Client – Helen Paton CWAC Client – Lisa Harris	This is a Shared Service hosted by CWaC with all staff employed by CWaC and is funded by grants received by both councils.
B14	Archaeology Planning and Advisory Service	SS Manager – Mark Leah CE Client – Ian Dale CWAC Client – Ian Hesketh	This service operates under an annual service agreement whereby CWaC provides Archaeological planning advice and management of the Heritage Environment Records (HERs).
N/A	ICT Shared Service	SS Manager – Gareth Pawlett CE Client – Valda Williams CWAC Client – Pete Lloyd	Shared Service hosted by CEC.
N/A	Transactional Shared Services	SS Manager – Jude Green CE Client – Sara Barker CWAC Client – Debbie Hall	Shared Service hosted by CWaC

5.3 All of the shared services have Business Plans for 2016-2020, signed off by the client manager, and refreshed on an annual basis. The SSJC have agreed to receive annual Shared Service Performance Reports (financial and non-financial) outturn. When the financial and non financial performance data is brought together a judgement is required on the overall performance of the shared service which is then RAG Rated to provide an overall indication of performance.

5.4 Legal Arrangements

5.4.1 The sharing arrangements were underpinned by a range of formal (signed) legal agreements that have been revised, as and when required. However, previous SSJC approved updates to the Service Agreements for Transactional Services and ICT have not currently been implemented and are pending the implementation of the B4B Business World system, as this will require further revisions.

5.4.2 The sharing arrangements include :

- **The Administrative Agreement** - This Agreement sets out the overall formal governance arrangements for the operation of shared services including the Joint Committee and Joint Officer Board.
- **The Service Agreement** – one for each of the Shared Service setting out how client / provider will operate and performance requirements.

- **The Secondment Agreement** – originally one for each service many of these have since been replaced as employees have formally transferred to the hosting authority. These are currently in place for the Cheshire Farms Service and the Civil Protection and Emergency Planning Shared Service.
- **Time Bound Service Agreements** – these have been put in place where there has been a requirement for a more flexible service arrangement and / or there has been a requirement to introduce an annual charge. These are currently in place for Libraries Support Services, the Archaeology Planning and Advisory Service.

5.4.3 It should be noted that the SSJC previous approved updates to the Shared Service Agreement for Transactional Services and ICT have not yet been implemented as the implementation of the B4B system will require further revisions to the agreements.

5.5. Governance Arrangements

5.5.1 The governance arrangements for the Shared Services are set out in the SS Admin Agreement which includes the terms of reference for both the SSJC and JOB. The Consitution, SSJC Terms of Reference, and Financial Memorandum were reviewed and approved in July 2018. The documents are appended.

5.5.2 Shared Service Joint Committe

- SSJC is a formally constituted member body consisting of three councillors from each authority. The chairmanship of the committee rotates each municipal year following the annual council meetings. The current membership is:

CE MEMBERS	CWaC MEMBERS
Councillor Moran	Councillor Donovan
Councillor Rhodes	Councillor Gahan
Councillor Stott	Councillor Shore

- Democratic Services support the Shared Service Joint Committee and this rotates with the change of chairman. The key contact in Democratic Services, for this municipal year is Rachel Graves.
- The number of SSJC meetings was formally reduced in July last year, to two meetings per year with an option for a third to be held in a workshop style if needed.

- The dates of the SSJC for this municipal year are:
 - 2nd August 2019
 - 29th November 2019
 - 27th March 2019

5.5.3 Joint Office Board

- The JOB is formally constituted via the Shared Service Administrative Agreement and responsibility for the JOB sits with each council's Section 151 Officers for, and on behalf of, the Director of Governance (CWaC) and Executive Director of Corporate Services (CEC).
- The JOB meets prior to the SSJC and officers develop and clear reports and papers for the SSJC meetings.
- Members of JOB are listed below

Chairs and administrative support

Name	Job Role	Authority
Laurence Ainsworth	Director of Public Sector Reform (JOB Chair)	CWaC
Alex Thompson	Director of Finance and Customer Services (S.151 Officer) (JOB Deputy Chair)	CEC
Heather Grove	Senior Manager: Business Development Assurance and Collaboration (JOB Administrative Support)	CEC

Other JOB members

Name	Role	Authority
Suzanne Antrobus	Legal Services	CEC
Sara Barker	Head of HR, Transactional Services Client Manager	CEC
Jude Green	Senior Manager: Transactional Shared Service	CWaC
Debbie Hall	Director of Finance	CWaC
Claire Jones	Senior Manager: Financial Management	CWaC
Pete Lloyd	Head of PMO, Transformation & ICT	CWaC
Heloise MacAndrew	Legal Services	CWaC
Gareth Pawlett	CIO/ Head of ICT Services	CEC
Aaron Thomas	B4B Programme Representative	CWaC

6. Implications of the Recommendations

6.1 Legal Implications

There are no direct legal implications of this report. Agreements will be reviewed as required.

6.2 Finance Implications

Finance is within budgets. Budgets will be reviewed/re-profiled as required.

6.3 Policy Implications

There are no direct policy implications of this report.

6.4 Equality Implications

There are no direct equality implications.

6.5 Human Resources Implications

There are no direct human resource implications.

6.6 Risk Management Implications

There are no direct implications for public health.

6.7 Rural Communities Implications

There are no direct implications for rural communities.

6.8 Implications for Children & Young People/Cared for Children

There are no direct implications for children and young people.

6.9 Public Health Implications

There are no direct implications for public health.

6.10 Climate Change

There are no direct implications for climate change

7. Ward Members Affected

n/a

8. Access to Information

Previous SSJC papers are publically available through modern.gov or each council's intranet.

9. Contact Information

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

Name: Heather Grove

Job Title: Senior Manager: Business Development, Assurance, and Collaboration

Email: heather.grove@cheshireeast.gov.uk

SCHEDULE 1

Constitution of the Joint Committee

1. Each of the Councils shall appoint three Members (being elected members of that Council) as its nominated Members of the Joint Committee. The Members appointed shall have full voting rights.
2. Each Council may nominate one or more substitute Members to attend any meeting in place of an appointed Member from that Council, subject to notification being given to the Lawyer and Secretary to the Joint Committee before the start of the meeting. The Member appointed as a substitute shall have full voting rights where the member for whom they are substituting does not attend. If a Council's nominated Members attend a meeting of the Joint Committee, any named substitute may also attend as an observer but shall not be entitled to vote.
3. Each Member of the Joint Committee shall comply with the Code of Conduct of their Council when acting as a Member of the Joint Committee.
4. Each of the Councils may remove any of its nominated Members or substitute Members of the Joint Committee and appoint a different Member or substitute to the Joint Committee by giving written notice to the lawyer and Secretary to the Joint Committee.
5. Each Council shall have three votes. These shall be exercised by the nominated Members who are elected members of the Council. In the absence of a Council's nominated Member, a vote may be exercised by the named substitute who is an elected member of the Council.
6. Each Member of the Joint Committee shall serve upon the Joint Committee for as long as he or she is appointed to the Joint Committee by the relevant Council but a Member shall cease to be a member of the Joint Committee if he or she ceases to be a Member of the Council appointing him or her or if the relevant Council removes him or her as a Member of the Joint Committee.
7. Any vacancies arising will be filled by the council from where the vacancy arises
8. Meetings of the Joint Committee shall be held at Wyvern House in Winsford, unless otherwise agreed by Joint Committee.
9. The Council hosting the first meeting shall appoint one of its nominated members as Chair and that member shall remain Chair until the first meeting taking place after the elapse of one year from the time of his or her appointment unless he or she ceases to be a Member of the Joint Committee. This will be aligned with the councils' calendars and will take place in May each year. On the expiry of the first Chair's term of office as Chair, the Council which did not appoint the first Chair shall appoint one of its nominated members as Chair for a period of one year from the time of his or her appointment. The same procedure shall be followed for the appointment of Chair in subsequent years.
10. The Council which has not appointed the Chair of the Joint Committee in any year shall appoint one of its nominated members as Vice Chair.

11. The Joint Committee shall meet three times per year consisting of two formal Shared Service Joint Committee meetings taking place in May and November and one informal workshop unless otherwise determined by the Joint Committee.
12. The Shared Services currently operating in a stable fashion (Libraries Specialist Support, Civil Contingencies and Emergency Planning, Farms Estate, Archaeology Planning Advisory and Cheshire Rural Touring Arts Network) will only produce a short annual update outlining the year's performance, achievements and any planned significant changes in the future for the committee.
13. The Chair to the Joint Committee may call additional meetings by providing at least five clear days' notice to Members of the Joint Committee, for the purposes of resolving urgent matters arising between the two meetings and one informal workshop of the Joint Committee. The Chair to the Joint Committee must call a meeting of the Joint Committee if at least one Member of the Joint Committee from each Council requests it or the Head of Paid Service of both Councils requests it.
14. Meetings shall be notified to Members of the Joint Committee by the Secretary to the Joint Committee.
15. The Secretary to the Joint Committee shall send to all Members of the Joint Committee, to the Political Group Leaders of each Council and relevant officers of each Council copies of the agenda and papers for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting.
16. The Secretary to the Joint Committee shall arrange for minutes to be taken of each meeting of the Joint Committee and shall present them to the Joint Committee at its next meeting for approval as a correct record. If the Joint Committee confirms that the minutes contain an accurate record of the previous meeting, those minutes shall be signed as agreed by the Chair or Vice-Chair.
17. Meetings of the Joint Committee will be held as agreed by the Joint Committee.
18. A meeting of the Joint Committee shall require a quorum of two Members of each Council who are entitled to attend and vote. If there is a quorum of members present but neither the Chair nor the Vice-Chair is present, the Members present shall designate one Member to preside as Chair for that meeting.
19. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Council Members of the Joint Committee immediately present and voting thereon. In the case of an equality of votes the matter will be deferred to the next meeting of the Joint Committee.
20. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.
21. A Member when speaking shall address the Chair. If two or more Members wish to speak, the Chair shall call on one to speak. While a Member is speaking other Members shall remain silent.

22. A Member shall direct his/her speech to the question under discussion or to a personal explanation or to a point of order.
23. Only one amendment to a proposal may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of, providing that the Chair may permit two or more amendments to be discussed (but not voted on) together if circumstances suggest that this course would facilitate the proper conduct of the Joint Committee's business.
24. If an amendment be lost, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.
25. The order of business shall be indicated in the agenda for the meeting.
26. When a motion is under debate by the Joint Committee no other motion shall be moved except the following:
 - 25.1 to amend the motion;
 - 25.2 to adjourn the meeting;
 - 25.3 to adjourn the debate;
 - 25.4 to proceed to the next business;
 - 25.5 that the question be now put;
 - 25.6 that a Member be not further heard;
 - 25.7 by the Chairman that a Member does leave the meeting;
 - 25.8 a motion under Section 100(A)(4) of the Local Government Act 1972 to exclude the public;
 - 25.9 to postpone consideration of the item.
27. A Member may move without comment at the conclusion of a speech of another Member, "That the Committee proceed to the next business", "That the question be now put", "That the debate be now adjourned", or "That the Committee do now adjourn", on the seconding of which the Chair shall proceed as follows:
 - 27.1 on a motion to proceed to next business; unless in his opinion the matter before the meeting has been insufficiently discussed put to the vote the motion to proceed to the next business
 - 27.2 on a motion that the question be now put; unless in his opinion the matter before the meeting has been insufficiently discussed he shall first put to the vote the motion that the question be now put
 - 27.3 on a motion to adjourn the debate or the meeting if in his opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion put the adjournment motion to the vote.
 - 27.4 The ruling of the Chairman shall not be open for discussion.
28. Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair.

29. The following elected representatives are entitled to attend the Joint Committee but they shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair:

28.1 Members of parish councils within the areas of the Councils;

28.2 Members of Parliament for the residents of the areas of the Councils;

28.3 Members of the European Parliament for the residents of the areas of the Councils.

30. Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under paragraph 31.

31. Members of the public wishing to address the Joint Committee (or a sub-committee of the Joint Committee) on reports contained within the agenda for the meeting shall be given the opportunity to do so subject to:

30.1 the opportunity being extended to one person to speak in support of each agenda item and one person to speak against each agenda item when called to do so by the Chairman;

31.2 an indication of the desire to speak on the agenda item being made by the person just prior to the meeting and the name supplied to the Committee Manager in attendance (by means of the register), the first person registering to have precedence in the event of more than one person wishing to speak either for or against the agenda item;

31.3 each person addressing the Joint Committee or sub-committee of the Joint Committee being limited to three minutes' speech;

31.4 an opportunity being provided for an expression of a contrary view, even though no prior notice has been given, when a member of the public has spoken for or against the item;

31.5 in the event of the person having registered to speak on an agenda item not wishing to take up their right to speak on the agenda item because it was deferred, that person will automatically be given the right to speak on the agenda item at the next meeting of the Joint Committee or sub-committee of the Joint committee;

31.6 the Chair of the meeting having discretion to rule that a person wishing to address the meeting shall not be heard if, in his/her opinion, that issue or the organisation or the person wishing to make representation on that issue has received an adequate hearing.

32. The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A(3) of the Local Government Act 1972 or exempt information as defined in section 1001 of the Local Government Act 1972 would be disclosed to them.

33. Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the Joint Committee is subject to call in by a Council, the Joint Committee shall take no action to implement that decision unless the call in process upholds the decision.
34. The Joint Committee may delegate a function to an officer.
35. Any contractual arrangements that relate to a Specified Function will be undertaken by one of the Councils and that Council will apply its own financial regulations and contract procedure rules to those arrangements
36. Where the contractual arrangements relate to functions other than Specified Functions the Council making those arrangements will use its own financial regulations and contract procedure rules apply.
37. The Lawyer and Secretary to the Joint Committee shall provide governance and secretarial support services and legal advice and support to the Joint Committee on such terms as may be agreed from time to time between the Councils.
38. The Finance Officer to the Joint Committee shall provide financial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.

Schedule 2

Terms of Reference of the Joint Committee

1. The Joint Committee's role is to oversee the management of these services which are provided on a Cheshire wide basis on behalf of Cheshire West and Chester Borough Council and Cheshire East Borough Council, to ensure effective delivery of such services and to provide strategic direction.
2. The Joint Committee is specifically responsible for:
 - 2.1 Ensuring that service strategies and the resources and budgets required to deliver the service strategies are in place and overseeing the implementation of the service strategies.
 - 2.2 Ensuring that adequate risk management and audit processes are in place for each shared service.
 - 2.3 Overseeing changes and projects and changes to shared services.
 - 2.4 Report on the performance of the five service areas (Civil Contingencies and Emergency Planning, Farms Estate, Archaeology Planning Advisory and Cheshire Rural Touring Arts Network)
 - 2.5 Overseeing and developing ICT, TSC and Archives.
 - 2.6 Agreeing the basis for apportioning cost between the two councils and the amount to be apportioned.
 - 2.7 Resolving issues that have been referred to the joint Committee.
 - 2.8 Reviewing the Shared Services Outturn and Performance Report, which will take a back wards look and a forward look, on an annual basis and by exception as appropriate, and initiating additional or remedial action as appropriate.
 - 2.9 Agreeing business cases for proposed changes and overseeing the progress of the subsequent work.
 - 2.10 Ensuring that there are robust plans for any disaggregation of services and that there is a smooth transition into the separate arrangements.
3. The following matters are reserved to the councils:
 - 3.1 Approving the budget for the specified functions.
 - 3.2 The delivery of service business plans via client and service managers via each council's business and Budget planning processes.

- (1) CHESHIRE EAST BOROUGH COUNCIL
- (2) CHESHIRE WEST AND CHESTER BOROUGH COUNCIL

FINANCIAL MEMORANDUM

The attached document is the Financial Memorandum referred to in the Administrative Agreement made between Cheshire East Borough Council and Cheshire West and Chester Borough Council dated 1 April 2009 and updated on 13 July 2018.

Signed by

Jan Willis

duly authorised orand on behalf of Cheshire East Borough Council

Signed by

Mark Wynn

duly authorised for and on behalf of Cheshire West and Chester Borough Council in the presence of

CHESHIRE SHARED SERVICES-FINANCIAL MEMORANDUM

1. Introduction and Purpose of the document

- 1.1 This Memorandum sets out the financial arrangements for the operation of Cheshire Shared Services and is made pursuant to the Administrative Agreement between Cheshire East Council and Cheshire West and Chester Council.

2. Preparation, Agreement and Review of Business Plans and Budgets

- 2.1 Service Managers of each shared service are responsible for producing business plans and budgets in line with the discharging council's procedures.
- 2.2 The business plans and budgets should be agreed with the client managers of each council. A first draft of the plan should be available by 31 January. The Business Plan will set out:
- a. the total budgetary requirements for the service (revenue and capital),
 - b. the Cheshire East and Cheshire West and Chester contributions to these budgets
 - c. an associated expenditure profile
 - d. the arrangements for sharing actual costs
- 2.3 The Service Managers will be responsible for agreeing service budgets with Client Managers. Where agreement cannot be reached, the service and budget plans will be referred to the Shared Services Joint Committee.
- 2.4 The Service Manager and Client Manager will carry out reviews of performance throughout the year. An outturn and performance report will be presented to Shared Service Joint Committee at its annual meeting to review performance of the shared services. Exception reports will be presented if required at other times during the year.

3. Accounting Requirements

- 3.1 The Discharging Council will maintain a Service Account for each service delivered.
- 3.2 These Accounts will record the budgetary contributions from each council and all income and expenditure associated with the particular service. Where possible, such expenditure will be identified within the Accounts as being attributed to Cheshire East Council and Cheshire West and Chester Council.
- 3.3 As staff on secondment to the Discharging Council will remain employees of the Arranging Council, all salary and other payroll related costs of the Seconded (including employer NI, pension and staff expenses) will be met by the Arranging

Council. However, an equivalent amount will be recorded in the respective Service Account.

- 3.4 The respective Service Manager will be responsible for monitoring the Service Account and will provide monthly reports to both councils and as required, to the Joint Officer Board.
- 3.5 By the 30 April the Discharging Council will produce an end of year Service Account for each service. This Account will apportion actual income and expenditure between the two councils in accordance with the arrangements set out at below and will reconcile the results with the budgetary contributions. The Account will identify any resulting over / underpayments.
- 3.6 The Joint Officer Board will agree the end of year outturn and performance reports and will refer to the Joint Committee for formal approval at its annual meeting to review performance
- 3.7 Any over / underpayment will be settled by the respective Council by 31 May each year
- 3.8 Where the sharing of a particular service terminates before 31 March, the Discharging Council will produce a final Outturn and performance report in accordance with the above arrangements. Any over / underpayment will be settled within 2 months of the termination date.

4. Definition of Income and Expenditure

- 4.1 For the purposes of the accounting arrangements outlined in this Memorandum, income and expenditure are defined as follows:
 - Income:- any income derived from a third party pertaining to the delivery of the service and / or the exclusive use of the service. This includes Government Grants provided for the direct use of the service.
 - Expenditure – any direct expenditure relating to the delivery of the service plus the agreed relevant service overheads / central recharges such as accommodation related costs. A list of eligible expenditure for each service will also be set out in the respective Service Agreement.

5. Capital Expenditure

- 5.1 The need for any capital expenditure will be set out in the Business Plan, which will be prepared annually but will cover the subsequent 3 year period. The capital contributions from each council, and the period over which such contributions will be provided will be set out in the Business Plan and agreed by the Joint Committee. All capital expenditure will be accounted for by the council providing that contribution.

- 5.2 A Project Board (or an alternative governance arrangement) will be established to oversee the work associated with the capital expenditure.

- 6. **Assets**

- 6.1 Where appropriate, an inventory of all material assets used shall be set out in the Business Plan and kept up to date by each service. The arrangements for disposal of any assets or the treatment of assets on termination of any shared service, shall be as set out in the Service Agreements.

- 7. **Capital Receipts**

- 7.1 Any capital receipts will be accounted for by the council where the associated asset is recorded on the balance sheet