

Cheshire East Council

Cheshire West and Chester Council

Shared Services Joint Committee

Date of Meeting: 11 June 2021

Report Title: Shared Service Business Plans: 2020/2021 Quarter 3 Review and New Business Plans for 2021/2022

Senior Officer: Jane Burns, Executive Director, Corporate Services, Cheshire East Council
Mark Wynn, Chief Operating Officer, Cheshire West and Chester Council

1. Report Summary

1.1 This report provides a summary of two reports: -

- the Shared Services Business Plan Q3 2020/2021 Review Report; and,
- the Shared Service Business 3-year Plans 2021/2022 Report.

Both reports were due at the cancelled Shared Services Joint Committee (SSJC) in March 2021. However, the Joint Officer Board has reviewed all of the business plans. Additionally, performance and financial arrangements have been reported on through each council's normal arrangements, and plans are currently being implemented.

1.2 This report seeks to give members the assurance that the shared service business plans have been reviewed and to provide members with the opportunity to appraise the business plans.

1.3 This report sets out:

- A summary of the Shared Service Business Plans Quarter 3 2020/2021 Review Report (the full report is in appendix 1).
- A summary of the Shared Service 3-year Business Plans 2021/2022 Report (the full report is in appendix 2).

It should be noted that the reports in the appendices relate to the point of time they were produced.

Outturn for 2020/2021 will be submitted to SSJC in July 2021.

2. Recommendations

2.1 It is recommended that Members:

- i) Agree and note the contents of the covering report.
- ii) Agree and note the Shared Service Business Plans Quarter 3 2020/2021 Review Report (Appendix 1).
- iii) Agree and note the Shared Service 2021/2022 Business Plans Report (Appendix 2).

3. Reasons for Recommendations

The Shared Service Administrative Agreement requires the Joint Committee is assured that adequately resourced shared service business plans are in place and that the service has plans in place to manage risks. This report seeks to give this assurance as the Shared Services Joint Committee scheduled for March 2021 was cancelled and the two reports could not be presented to committee. The Joint Officer Board has reviewed all of the business plans, both current and new.

4. Background

4.1 There are eight Shared Services (six Cheshire West And Chester (CWAC) - hosted and two Cheshire East Council (CEC):

- Farms Estate (Management)
- Archives and Local Studies
- Emergency Planning
- ICT
- Transactional Services
- Cheshire Rural Touring Arts
- Archaeological Planning and Advisory Services
- Libraries Shared Service

4.2 All Shared Services arrangements are underpinned by formal legal agreements and day to day performance is managed by each shared service manager who reports, through their normal line management arrangements, to a service

manager in the host authority and has a relationship with a client manager, in the other authority.

- 4.3 Shared service business plans provide details of the shared service objectives, Key Performance Indicator (KPIs) and resources required to deliver the plans. The plans require a degree of flexibility to enable an appropriate response to the changing needs of each council.
- 4.4 This report provides a summary, for the eight formal Shared Services arrangements between CEC and CWaC, of the performance at the end of quarter 3 2020/2021, together with the new shared service business plans for 2021/2022.
- 4.5 The new business plans will be sensitive to recommendations arising from the review of shared services which is currently taking place, together with the continued Covid- 19 response and recovery.
- 4.6 Outturn for 2020/2021 will be reported at the July SSJC.

5. Summary of the Shared Service Business Plans - Quarter 3 20/21 Review

5.1 Overall Summary

- 5.1.1 This section sets out a snapshot of the Shared Service Business Plans Quarter 3 2020/2021 Review Report, which can be found in full in appendix 1.

5.2 Budget Summary

- 5.2.1 The table below summarises the 2020/2021 Quarter 3 budget position for the shared services. The table below provides a judgement on the overall performance for each of the shared services. The judgement takes into account both performance (objectives and KPIs) and the budget position. The judgement criteria is below:

- RED – overspend of more than 10% of budget and/or most objectives and/or KPIs not being met or on target
- AMBER – overspend of less than 10% of budget and/or one or two objectives and /or KPIs not on target
- GREEN – on budget and all objectives and KPIs are on target

Service	Planned Budget	Q3 Forecast	Predicted End of Year
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	£	£	Variance £
Archaeology Planning Advisory Service	159,844	159,844	0
Archives and Local Studies	470,616	470,616	0
Cheshire Rural Touring Arts	88,603	88,603	0
Emergency Planning	296,394	257,067	(49,941)
Farms Estate Management	225,847	158,331	(67,516)
ICT	18,240,000	19,650,000	1,410,000
Libraries Shared Service	425,734	425,734	0
Transactional Services	5,113,934	5,979,934	866,000

5.2.2 Most services are on track to end the year with a balanced budget.

5.2.3 ICT has a predicted overspend of £1.41m due to staff being diverted to non-income generating activities including the Covid-19 response and the B4B activity.

5.2.4 Transactional Services although indicated as red from the judgement criteria, it should be noted that the predicted over spend position was planned with both Council's earmarking funding to accommodate this. The predicted overspend of £866k is partly linked to a shortfall in income due to a loss of schools business, with the remainder linked to staffing for the B4B programme. As previously agreed, the costs of both consultancy staff and Services staff working on the B4B project, along with any backfill costs for these staff, are now charged to the Transactional Services budget.

5.2.5 Emergency Planning and Farms Estate Management both have forecast underspends at the end of the year due to staff vacancies.

5.3 Performance

5.3.1 A red, green and amber (RAG) rating is used to assess service performance. Most services performance is assessed as amber – off track but aiming to be on track by the end of the year. This is mainly attributable to the objectives and Key Performance Indicators (KPIs), set out in the business plans, becoming behind target, being put on hold due to the impact of the Covid-19 pandemic, and the lockdown restrictions imposed as part of the Covid-19 pandemic response. Many services have needed to find new ways to deliver their objectives and achieve their KPIs.

5.3.2 As the Cheshire Rural Touring Arts (CRTA) service's business plan was rewritten at the start of the year in response to the Covid-19 pandemic, the

service objectives and KPIs are all on track to be achieved by the end of the year.

- 5.3.3 Transactional Services are rated as red overall due to having a forecast budget variance of more than 10% of their total budget.

6. Summary of the New Shared Service Business Plans – 2021/2022

6.1 Overview

6.1.1 This section gives a snapshot of the Shared Service business plans for 2021/2022 details and the individual plans can be found in Appendix 2.

6.1.2 Many of the new shared service business plans remain fairly similar to current plans, mainly due to the need to focus on the ongoing Covid-19 pandemic and the recovery, together with the strategic review of all shared services which is underway.

6.1.3 The results of the shared service review are expected in September 2021 and will impact on the shared service business plans dependant on the recommendations. Therefore, all business plans will be subject to change. Any such changes to business plans will be reported in the quarterly reviews. The Shared Services Review will be reported separately.

6.2 Budget

6.2.1 Broadly speaking, for 2021/22, the budgets are similar to 2020/2021.

6.2.2 The table below sets out a summary of the budgets of the eight shared services for 2021/22 and compares to the services 2020/21 budgets.

Service	2021/22 Budget £	2020/21 Budget £
Archaeology Planning & Advisory Service	159,844	159,844
Archives and Local Studies Service	470,616	470,616
Cheshire Farms Estate Management	225,847	225,847
Cheshire Rural Touring Arts	84,000	88,603
ICT Shared Service	tbc	18,240,000
Joint Emergency Planning Team	302,575	296,394
Libraries Shared Service	425,734	425,734
Transactional Services	5,267,934	5,267,934

6.2.3 The ICT budgets are still being developed as chargeable income and related expenditure targets have not yet been agreed in full by officers from both Councils. Overall spending will remain within the budget framework of each Council and full details of the ICT budget will be reported to a later committee when work on the potential scenarios is complete.

6.3 Performance – Objectives and Key Performance Indicators

6.3.1 Services are still having to be creative to help to develop new ways of working to manage the impact of the Covid-19 pandemic. This is likely to continue into the recovery phase.

6.3.2 In 2020/2021 some services needed to defer some KPIs due to the impacts of the Covid-19 pandemic making them unachievable, other services have been developing new KPIs to reflect the changes to service delivery that have been made as a result of responding to the Covid-19 pandemic.

6.3.3 Going forward, the achievement of some KPIs may still be impacted by the ongoing response to the Covid-19 pandemic. This will be kept under review by each service manager and reported in the quarterly reviews.

6.4 Risks

6.4.1 In total there are 67 risks with just 4 rated as high-risk. The high rated risks are:

Service	Risk	Rating	Comments
Farms Estate Management	Impact of reducing income as a result of disposals	9	There is regular reporting to client and corporate finance teams.
Farms Estate Management	Delays in delivery, performance failure due to programmed business critical systems changes i.e. Atrium property records, document management system and ArcGIS.	9	Enhanced input is being made in to the project development and new system training
Emergency Planning	Failure to deliver agreed objectives as a result of team responding to a medium to long-term major incident, e.g. influenza pandemic.	9	Consequence of ongoing C-19 pandemic response and recovery efforts. Ratings will likely stay steady for these risks as the year progresses with the team continuing to be involved in C-19 pandemic work-streams long-term. Capacity risks for the team would increase
Emergency Planning	Failure to deliver agreed objectives as a result of team responding to significant number of Major	9	

	Incidents/ Major Incident Standbys throughout year.		should we see a major surge in pandemic response combined with concurrent incidents; mitigation would be through requests for redeployed staff from both Councils and re-prioritising of objectives.
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6.4.2 The general risk of “Impacts of the Covid-19 pandemic” is being managed by each service manager through regular monitoring of the impacts on service delivery.

6.4.3 A full risk log is in appendix 2.

7. Implications of the Recommendations

7.1 Legal Implications

The Shared Services Administrative Agreement sets out the overall arrangements in relation to the manner in which the sharing Authorities will work together. Individual Shared Service Agreements require that Business Plans are regularly refreshed to ensure that they continue to meet the needs of both authorities going forward and that performance is reported on a regular basis. Operationally, this is managed on a day-to-day basis by the service managers and their line managers within each Council as part of the operation and management of each of the services. Additionally, each service has a client managers in place who are also consulted in the development and monitoring of business plans.

7.2 Finance Implications

7.2.1 The Financial Implications are set out in the two appendices.

7.3 Policy Implications

7.3.1 There are no direct Policy implications

7.4 Equality Implications

7.4.1 There are no direct Equality implications

7.5 Human Resources Implications

7.5.1 There are no direct Human Resources implications

7.6 Risk Management Implications

7.6.1 There is a risk that the business plans for each service do not deliver the required outcome for each Council regarding meeting the operational and financial expectations. This risk is managed by service managers within each Council, as part of the operation and management of each of the services. Risks are included in each organisation's risk register as appropriate.

7.7 Rural Communities Implications

7.7.1 There are no direct implications for Rural Communities.

7.8 Implications for Children & Young People/Cared for Children

7.8.1 There are no direct implications for Children and Young People/Cared for Children.

7.9 Public Health Implications

7.9.1 There are no direct implications for Public Health.

7.10 Climate Change Implications

7.10.1 There are no direct Climate Change implications

7.11 Ward Members Affected

This report relates to Shared Services that operate across both CE and CWAC, therefore all wards are affected in both Councils.

8. Access to Information

Documents are available for inspection at:

Cheshire East Democratic Services
Westfields, Middlewich Road
Sandbach
CW11 1HZ

or:

Cheshire West & Chester Democratic Services
HQ Building, Nicholas Street,
Chester,
CH1 2NP

9. Contact Information

9.1 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