

Cheshire East Council

Cheshire West and Chester Council

Shared Services Joint Committee

Date of Meeting: 11 June 2021

Report Title: Shared Service Review Update Report

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1. Report Summary

1.1 This report provides an update of the progress of the shared services review.

1.2 The report sets out:

- A summary of the approach to the Shared Services Review
- The progress of the Shared Services Review

2. Recommendations

2.1 It is recommended that Members:

- i) Agree and note the contents of the report.

3. Reasons for Recommendations

3.1 The Shared Service Joint Committee terms of reference sets out that Joint Committee is responsible for overseeing changes and projects, and changes to shared services.

4. Background

4.1 A number of shared services existed after Local Government Reorganisation in 2009 when Cheshire East Council and Cheshire West and Chester councils were formed.

4.2 Currently there are eight formal shared services, all underpinned by formal legal agreements (six Cheshire West And Chester (CWAC) -hosted and two Cheshire East Council (CEC) hosted: -

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

4.3 Cheshire East Council and Cheshire West and Chester councils agreed to commission a strategic review all of the existing eight formal shared services. It was agreed that an external perspective and expertise would be valuable and a specification was drawn up, a procurement exercise undertaken, and C.Co, the consultancy arm of CIPFA, were appointed to conduct the reviews.

5. Approach to the Shared Services Review

5.1 The purpose of the service review exercise is to:

- provide assurance on the operation of the shared service in terms of both meeting the objectives of each council and delivering value for money. ;
- to identify opportunities for efficiencies and financial savings; and,
- to identify how could the services work better and/or what will make them work better?

5.2 The scope of the review for each of the shared services, includes, but is not limited to the following questions, relating to whether the shared service, in its current form, is fit for purpose and whether it currently meets the objectives of each council:

- Is it / can it deliver its business plan within the parameters of the performance management framework (i.e. within budget, good performance levels)?
- Have risks and issues been identified in the service's delivery and if so, what are they related to?
- What are the alternative operating models?
- Are the financial principles that the shared service operates on sound? Does the cost model work in practice?

- Is the resourcing model fit for purpose and able to support the delivery of objective and outcomes – are there the right people, in the right roles, with the right skills and competencies, delivering the right things at the right time?
- How might improvements be made?

5.3 The review of all of the shared services will be undertaken between February and September 2021. The review will take place in three phases:

Phase 1: ICT – indepth review

Phase 2: Transactional Services – indepth review

Phase 3: the six other shared services

Each service review will provide:

- Clarity of how all the shared services align to the strategic objectives for both councils.
- Identification of improvements to secure greater efficiencies and effectiveness.
- A milestone plan for delivery.

5.5 For the in-depth reviews of ICT and Transactional Services the recommendations will also include:

- An assessment of the delivery against previous reviews.
- A high-level recommended delivery model setting out a recommendation for which functions should continue to be shared or separated, or an alternative hybrid model, with at least an estimate of the cost of change.
- The recommended model to have a high-level financial plan that delivers against an agreed financial envelope, including clarity on how costs are apportioned.

Additionally, a recommended model of governance and assurance of the Shared Service will be developed.

5.5 The governance of the programme is taking place through a series of meetings and reports including:

- Project Group – a weekly meeting
- Project Board – at least monthly meeting
- Regular Sponsor meetings
- Bi-weekly Highlight Reports

6. Progress of the Shared Services Review

6.1 The project has made good progress against the intended Phase 1 deliverables including, to date:

- Reviewing key actions undertaken since the completion of the Ernst Young (EY) review of ICT in 2017.
- Establishing Council priorities, through engagement with senior stakeholders as well as review of key corporate policies and strategies.
- Development of shared evaluation criteria to inform the recommended model for future delivery of service.
- Identification of best practice.
- Benchmarking of the service against comparator councils.
- Review of current financial position, establishment, performance as well as intended in/train changes.
- Identification of service improvements.
- Development of options for delivery of the service going forward.

6.2 In addition to Phase 1 activity, Phase 2 and 3 activity has already commenced to ensure timely delivery, this includes:

- Meetings with managers and stakeholders of Transactional Services.
- Developing an understand of the costs of Transactional Services.
- Meetings with all other shared service managers.
- Development of Evaluation criteria for all services.

6.3 The review is on track to meet all other deliverables for all phases.

6.4 The outputs from the reviews will be shared with Shared Services Joint Committee in due course.

7. Next Steps

7.1 The next steps of the review are to:

- Refine and agree the baselining and benchmarking costs for ICT.
- Project Board to discuss and agree the ICT model options emerging from the Evaluation. Once agreed, further work can be undertaken to develop a high-level delivery model with indicative cost of change.
- Meeting to be convened with both Councils' senior officer leadership teams to discuss strategic alignment and future opportunities.

8. Implications of the Recommendations

8.1 Legal Implications

8.8.1 The Shared Services Administrative Agreement sets out the overall arrangements in relation to the manner in which the sharing Authorities will work together. This will need to be revised when revised arrangements are agreed.

8.2 Finance Implications

8.2.1 For the purposes of this report, the Financial Implications will be the cost of undertaking the reviews together with the costs of implementing any revised delivery models. Implementation costs, together with any savings identified will be used to evaluate the viability of the preferred models and shared in due course as part of the individual service reviews.

8.2.2 The cost of the contract with C.Co is £98,000 , shared equally between the two councils.

8.3 Policy Implications

8.3.1 Policy implications will be dependent on the findings and recommendations of the review and will be identified for each service.

8.4 Equality Implications

8.4.1 There are no direct Equality implications

8.5 Human Resources Implications

8.5.1 Implications for Human Resources are dependent on the recommendations arising as a result of the review and any revised agreed operating model.

8.6 Risk Management Implications

8.6.1 The risks associated with the findings will be made clear once a final report is produced and be made clear to members at the appropriate time.

Risks are included in each organisation's risk register as appropriate.

8.7 Rural Communities Implications

8.7.1 There are no direct implications for Rural Communities.

8.8 Implications for Children & Young People/Cared for Children

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

8.9 Public Health Implications

8.9.1 There are no direct implications for Public Health.

8.10 Climate Change Implications

8.10.1 There are no direct Climate Change implications

8.11 Ward Members Affected

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

9. 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

10. Contact Information

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

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