

Cheshire East Council

Cheshire West and Chester Council

Shared Services Joint Committee

Date of Meeting: 24 September 2021

Report Title: Shared Services Business Plans Q1 2021-2022 Review

Senior Officer: Jane Burns: Executive Director of Corporate Services, CEC
Mark Wynn, Chief Operating Officer, CWC

1. Report Summary

- 1.1 This report provides a summary of the 2021-22 Quarter 1 position for the Shared Service arrangements between Cheshire East Council (CEC) and Cheshire West and Chester Council (CWC).
- 1.2 The report includes financial and non-financial performance information for the period 01/04/21 to 30/07/21.
- 1.3 The report provides summaries of each of the key areas across all of the shared services including the budget position, priorities and objectives, key performance indicators, and risks and issues, together with, for each service, a service dashboard with a summary narrative. Full business plans can be found in Appendix 2.
- 1.4 Overall, the position for Q1 is that the performance of most services is in line with expectations, with no significant issues reported. Emergency Planning, ICT and Transactional Services are currently reporting objectives and KPIs that are currently off track but expected to be back on track by the end of the year. These are set out in the report and in the individual service business plans. Additionally, ICT and Transactional Services are reporting financial pressures. Work is being undertaken to identify remedial measure to address these pressures and deliver a balanced year end position.

2. Recommendations

- 2.1 It is recommended that Members:
 - i) Note the Shared Services Quarter 1 performance for 2021-2022.

3. Reasons for Recommendations

- 3.1 The Shared Services Administrative Agreement makes provision for the Joint Committee to receive reports to enable the review and monitoring of the performance of the Shared Services performance to take place. This report provides the 2021-2022 quarter 1 position.
- 3.2 This report helps to deliver the new, revised performance management arrangements, agreed at the Shared Service Joint Committee (SSJC) on 25 September 2020. The revised arrangements assist with ensuring that service strategies, together with the resources and budgets required to deliver the service strategies, are in place and being effectively implemented.

4. Background

- 4.1 Currently there are eight Shared Services (six Cheshire West And Chester hosted two Cheshire East Council hosted).
- Farms Estate (Management) - CEC
 - Archives and Local Studies - CWC
 - Emergency Planning - CWC
 - ICT - CEC
 - Transactional Services - CWC
 - Cheshire Rural Touring Arts - CWC
 - Archaeological Planning and Advisory Services - CWC
 - Libraries Shared Service - CWC
- 4.2 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 operation, objectives and resources required. 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 of the performance at the end of quarter 1 2021-2022 for the eight formal Shared Services arrangements between CEC and CWC. An overall summary of performance and business activity all of the shared services is in appendix 1.

5. Summary of 2021-22 Quarter 1 Performance

5.1 Overall Summary Ratings

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 are set out below:

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

Service	Overall Performance 2019-20	Overall Performance 2020-21	Q1 Performance 2021-22
Archaeology Planning Advisory Service	Green	Amber	Green
Archives and Local Studies	Green	Amber	Green
Cheshire Rural Touring Arts	Green	Green	Green
Emergency Planning	Amber	Amber	Amber
Farms Estate Management	Green	Amber	Green
ICT	Amber	Amber	Amber
Libraries Shared Service	Green	Amber	Green
Transactional Services	Amber	Red	Amber

Overall Summary Ratings Commentary

- Most services are on track with objectives and KPIs being achieved and reporting a balanced or underspent financial position.
- Emergency Planning is still experiencing challenges with performance as a result of responding to the pandemic but is expecting to improve performance over the remainder of the year.
- ICT is behind target with a number of objectives and KPIs and is currently reporting a forecast overspend of £490k.
- Transactional Services are behind on objectives relating to the implementation of the new ERP system – Unit 4.

5.2 Budget Summary

The table below summarises the Q1 forecast financial position for the all of the shared services.

Service	Planned Budget £	Q1 Forecast £	Predicted Variance £
Archaeology Planning Advisory Service	158,817	158,817	0
Archives and Local Studies	470,616	470,616	0
Cheshire Rural Touring Arts	84,000	84,000	0
Emergency Planning	303,716	302,522	(1,194)
Farms Estate Management	225,938	162,720	(63,218)
ICT	17,350,000	17,840,000	490,000
Libraries Shared Service	330,836	330,836	0
Transactional Services	5,294,018	5,522,270	228,252

Budget Summary Commentary

- Most services are reporting a forecast balanced or underspent year end position.
- The Farms Estate Management underspend is due to an ongoing staffing vacancy.
- ICT are currently forecasting an overspend and the service is reporting regularly to governance groups on budget mitigation actions including vacancy management, review of third party contracts and permanent recruitment to replace certain contractor roles.
- Transactional Services are currently forecasting an overspend as a result of the revised date for phase 2 of the Unit 4 ERP go live. Due to previous agreement and provision for the costs of staff working on the project, the financial performance is rated green.

5.3 Priorities and Objectives Summary

The table below sets out a summary of all of the service's priorities and objectives as set out in the service Business Plans.

The assessment criteria is:

Green: On Track

Amber: Behind but expected to be achieved

Red: Not expected to be achieved

Blue: On hold due to Covid-19

Service	Total number of Objectives	Number of Green Objectives	Number of Amber Objectives	Number of Red Objectives	On hold due to Pandemic
Archaeology Planning Advisory Service	5	5	0	0	0
Archives and Local Studies	6	6	0	0	0
Cheshire Rural Touring Arts	3	3	0	0	0
Emergency Planning	8	7	1	0	0
Farms Estate Management	2	2	0	0	0
ICT	23	18	5	0	0
Libraries Shared Service	9	9	0	0	0
Transactional Services	7	4	3	0	0

Priorities and Objectives Commentary

- Full details are in each Services Business Plan
- Most objectives across all services are on track.
- The Emergency Planning objective which is off track is in respect of continued implementation of the off-site planning and exercise regime to ensure that both authorities meet their statutory emergency planning obligations under the COMAH, REPIR, PSR, and Flood & Water Management legislation. This is due to:
 - The PSR (Pipelines) area specific and generic plan reviews are outside timescales - work continues to resolve.
 - COMAH off-site plan reviews are overdue due to C-19 impacts; work continues to resolve and HSE are content with progress.

All other COMAH, REPIR and PSR plans were within agreed ONR & HSE timescales as at end of Q1.

- There are five ICT objectives which are currently off track, but expected to be achieved by the end of the year. These include:
 1. Review of Technical Debt Register – further work is underway to identify what can be decommissioned.
 2. Exploitation of existing ICT investment or design of new services is also dependant on the ongoing shared services review.
 3. Development of a sustainable financial strategy . Progress has been made and will be informed by the Shared Service review.
 4. Agree a new ICT Service Product Catalogue. Value propositions are being developed.

5. Recruitment of/new staffing structure for ICT Services. This has been deferred due to the need to define a new operating model and the impact of the shared service review.

- The three Transactional Services objectives rated as amber are connected to the implementation on the Unit 4 ERP system which is now planned for Autumn 2021.

5.4 Key Performance Indicators Summary

The table below sets out an overview of the key performance indicators (KPIs) for each of the shared services. The assessment criteria is:

Green: On Track
 Amber: Behind but expected to be achieved
 Red: Not expected to be achieved
 Blue: On hold due to Covid-19

Service	Total number of KPIs	Number of Green KPIs	Number of Amber KPIs	Number of Red KPIs	On hold due to Pandemic
Archaeology Planning Advisory Service	5	4	0	0	1
Archives and Local Studies	6	6	0	0	0
Cheshire Rural Touring Arts	3	3	0	0	0
Emergency Planning	5	4	1	0	0
Farms Estate Management	9	9	0	0	0
ICT	4	4	0	0	0
Libraries Shared Service	11*	10	0	0	0
Transactional Services	3	3	0	0	0

*Data for one KPI currently unavailable

Performance Indicators Commentary

- All of the key performance indicators can be seen in each of the services individual business plans.

- The majority of the KPIs are on track with just one KPI rated as amber, and one KPI deferred due to the pandemic impact.
- The APAS KPI which is deferred due to the pandemic is in respect of the % number of records reviewed in the Cheshire Historic Environment Record per annum. This is because the historic Environment Record System cannot be accessed from home. This KPI will resume in line with new working arrangements as part of the pandemic recovery plan.
- The Emergency Planning KPI relates to the number of statutory plans and exercises delivered within agreed timescales. Some of these are currently delayed, but it is expected to be achieved by the end of the year.
- One KPI for the Library shared service relating to the increase under 5s membership, is unable to be assessed as the data is not available at the present time, due to staff sickness, and will be reported in the mid-year review.

5.5 Overview of Risks and issues

Risks are reported by exception. This means that:

- Only risks rated as high risks and scoring 9 or over will be reported
- Risks which increase to 9 will be reported
- New risks of 9 or over added to the risk log will be reported
- Where risks scoring 9 or over have reduced since the last reporting period, they will be reported on to show the risk reduction.

The table below sets out the risks and issues for the services.

Service	Number of Risk rated 9>	Number of Issues
Archaeology Planning Advisory Service	0	0
Archives and Local Studies	0	0
Cheshire Rural Touring Arts	0	0
Emergency Planning	3	3
Farms Estate Management	2	0
ICT	1	1
Libraries Shared Service	0	0
Transactional Services	0	0
Total	5	4

Risks and Issues Commentary

Risks

- All service managers manage identified risks, including listing risks and issues on corporate risk registers as appropriate.
- Only risks rated as high - scoring 9 or 12 - are reported.
- The Farms Estate Management has two risks, both rated as 9. They are:
 1. Impact of reducing income as a result of disposals
 2. Delays in delivery, performance failure due to programmed business critical systems changes i.e. Atrium property records, document management system and ArcGIS.
- Emergency Planning has three risks and issues which have arisen due to the impacts of the ongoing Covid-19 pandemic, they include:
 1. Failure to deliver agreed objectives as a result of team responding to a major incidents.
 2. Failure to deliver agreed objectives as a result of team responding to significant number of Major Incidents/ Major Incident Standbys .
 3. Statutory requirements of COMAH, REPIR and PSR legislation. Failure to meet those duties in line with the statutory deadlines.
- The ICT risks is - Any lack of clarity in funding, sourcing, skills, inventory, service levels, governance, and operating procedures may result in failure to provide adequate end user support within reasonable time frames with potential loss of credibility. Failure to keep infrastructure, systems, and solutions in a compliant state. Ageing infrastructure which is either end of life and non-compliant or has a significantly greater risk of failure.

Issues

- The Emergency Planning issues are the same as the risks as, the risks have turned into issues but remain as ongoing risks.
- The ICT service has one issue - Service is forecasting an overspend position of £494K in Q1. ICT is working with governance groups on budget mitigations actions including vacancy management, review of third party contracts and permanent recruitment to replace certain contractor roles.

6. Individual Shared Service Summaries

The individual shared service summaries for quarter one are set out below in a dashboard format, together with supporting commentary. Each dashboard sets out:

- the overall rating, based on the judgement criteria set out in section 5.1.
- the budget position.
- the number of objectives and their RAG rating (blue are deferred due to Covid -19).
- the number of KPIS and their RAG rating (blue are deferred due to Covid -19).
- the number of risks scoring 9 or over.
- the number of live issues.

A collated summary dashboard for all shared services is in appendix 1.

Full details are in the individual service business plans in appendix 2.

The dashboards are set out below.

Archaeology Planning Advisory Service (APAS)

Dashboard

Overall rating	Green			
Budget	Balanced			
Priorities and Objectives	5	0	0	
Key Performance Indicators	4	0	0	1
Number of risks 9>	0			
Number of issues	0			

Commentary

- The APAS is rated as green as all of the service objectives are rated as on track and just one KPI is deferred due to the ongoing pandemic.
- The APAS KPI which is rated as blue – deferred due to the pandemic – is the % number of records reviewed in the Cheshire Historic Environment Record per annum. This is because the historic Environment Record System cannot be accessed from home. This KPI will resume in line with new working arrangements as part of the pandemic recovery plan.

Archives and Local Studies

Dashboard

Overall rating	Green			
Budget	Balanced			
Priorities and Objectives	6	0	0	0
Key Performance Indicators	6	0	0	0
Number of risks 9>	0			
Number of issues	0			

Commentary

- The Archives and Local Studies service is rated as green as the budget, objectives and KPIs are all on track.

Cheshire Rural Touring Arts

Dashboard

Overall rating	Green			
Budget	Balanced			
Priorities and Objectives	3	0	0	
Key Performance Indicators	3	0	0	0
Number of risks 9>	0			
Number of issues	0			

Commentary

- The CRTA service is rated as green as the budget, objectives and KPIs are all on track.

Emergency Planning

Dashboard

Overall rating	Amber			
Budget	£1,194 underspend			
Priorities and Objectives	7	1	0	
Key Performance Indicators	4	1	0	0
Number of risks 9>	3			
Number of issues	3			

Commentary

- The Emergency Planning service has one objective that is rated as amber - Continue implementation of the off-site planning and exercise regime to ensure that both authorities meet their statutory emergency planning obligations under the COMAH, REPPiR, PSR, and Flood & Water Management legislation. PSR (Pipelines) area specific and generic plan reviews are outside timescales - work continues to resolve. 4 COMAH off-site plan reviews are overdue due to C-19 impacts. All other COMAH, REPPiR and PSR plans were within agreed ONR & HSE timescales. This also impacts on the KPI to complete statutory obligations within timescales.

Farms Estate Management

Dashboard

Overall rating	Green			
Budget	63,218 underspend			
Priorities and Objectives	2	0	0	
Key Performance Indicators	9	0	0	0
Number of risks 9>	2			
Number of issues	0			

Commentary

- Overall, the Farms Estate Management Service is assessed as on track and rated green.
- There is currently an underspend of £63,218 due to a staffing vacancy.
- There are two risks rated as 9 or over which include:
 1. Impact of reducing income as a result of disposals
 2. Delays in delivery, performance failure due to programmed business critical systems changes i.e. Atrium property records, document management system and ArcGIS.

ICT

Dashboard

Overall rating	Amber			
Budget	£490,000 overspend			
Priorities and Objectives	18	5	0	
Key Performance Indicators	4	0	0	0
Number of risks 9>	1			
Number of issues	1			

Commentary

- The ICT budget is currently forecasting an overspend and ICT is working with governance groups on budget mitigation actions including vacancy management, review of third party contracts and permanent recruitment to replace certain contractor roles. JSB receive monthly reports on commissioned projects and will monitor closely.

- There are five ICT objectives which are off track, but expected to be back on track by the end of the year. These include:
 1. Review of Technical Debt Register – further work is underway to identify what can be decommissioned.
 2. Exploitation of existing ICT investment or design of new services is also dependant on the ongoing shared services review.
 3. Development of a sustainable financial strategy . Progress has been made and will be informed by the Shared Service review.
 4. Agree a new ICT Service Product Catalogue. Value propositions are being developed.
 5. Recruitment of/New staffing structure for ICT Services. This has been deferred due to the need to define a new operating model and the impact of the shared service review.
- All KPIs are on track.
- The ICT risks is - Any lack of clarity in funding, sourcing, skills, inventory, service levels, governance, and operating procedures may result in failure to provide adequate end user support within reasonable time frames with potential loss of credibility. Failure to keep infrastructure, systems, and solutions in a compliant state. Ageing infrastructure which is either EOL and non-compliant or has a significantly greater risk of failure. A number of actions, listed in the individual business plan in appendix 2.

Libraries Shared Services

Dashboard

Overall rating	Green			
Budget	Balanced			
Priorities and Objectives	9	0	0	
Key Performance Indicators	10	0	0	0
Number of risks 9>	0			
Number of issues	0			

Commentary

- The Libraries Shared Service is rated as green overall – on track.
- There are 11 KPIs, of which 10 are rated as green, with one KPI which cannot be assessed at the present time due to a lack of data.

Transactional Services

Dashboard

Overall rating	Amber			
Budget	£228,252 overspend			
Priorities and Objectives	4	3	0	
Key Performance Indicators	3	0	0	0
Number of risks 9>	0			
Number of issues	0			

Commentary

- Transactional Services are currently forecasting an overspend as a result of the revised date for phase 2 of the Unit 4 ERP go live. Due to previous agreement and provision for the costs of staff working on the project, the financial performance is rated green.
- There are 7 objectives of which four are on track and three, all relating to the unit 4 implementation, that have been delayed until the autumn of 2021.
- The three performance indicators are currently on track.
- There are no high rated risks or issues.

7. Implications of the Recommendations

7.1 Legal Implications

7.7.1 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 client managers in place who are also consulted in the development and monitoring of business plans.

7.7.2 Finance Implications

7.1.1 The Financial Implications are set out in main body of the report.

7.2 Policy Implications

7.2.1 There are no direct Policy implications

7.3 Equality Implications

7.3.1 There are no direct Equality implications

7.4 Human Resources Implications

7.4.1 There are no direct Human Resources implications

7.5 Risk Management Implications

7.5.1 Risks are managed by the commissioning client, and service managers within each Council, as part of the operation and management of each of the services. Risks are included in each organisations risk register as appropriate.

7.6 Rural Communities Implications

7.6.1 There are no direct implications for Rural Communities.

7.7 Implications for Children & Young People/Cared for Children

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

7.8 Public Health Implications

7.8.1 There are no direct implications for Public Health.

7.9 Climate Change Implications

7.9.1 There are no direct Climate Change implications

7.10 Ward Members Affected

7.10.1 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 officers:

Name: Heather Grove

Email: heather.grove@cheshireeast.gov.uk

Name: Claire Jones

Email: claire.jones@cheshirewestandchester.gov.uk