

## **Corporate Policy Committee**

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<b>Date of Meeting:</b>	6 October 2022
<b>Report Title:</b>	Shared Services Review Update
<b>Report of:</b>	Jane Burns, Executive Director of Corporate Services
<b>Report Reference No:</b>	CP/10/22-23
<b>Ward(s) Affected:</b>	All

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### **1. Purpose of Report**

- 1.1** The Shared Services Joint Committee commissioned a review of the eight services shared by Cheshire East and Cheshire West and Cheshire Councils in 2021. The outcomes of the review have been shared in detail with the Joint Committee and were summarised at the last meeting of this Committee.
- 1.2** The ICT Review concluded that a move away from a shared service to a new hybrid operating model is the preferred approach, is technically feasible and financially viable. However, there are a number of complexities and challenges relating to implementation which officers from both councils agreed to work through to inform a formal decision by Members of both Councils in due course. It had been anticipated that work would be completed by September/October. Whilst a good deal of the work is progressing it is not yet complete. It is also important to take into account the outcomes of the B4B Lessons Learned Review, a report of which is elsewhere on this agenda
- 1.3** The purpose of this report is to inform Members of the progress of the work, and to outline a revised timeline.

### **2. Executive Summary**

- 2.1** Currently there are eight Shared Services between Cheshire East and Cheshire West and Chester Councils which date back to local government reorganisation in 2009. The Shared Services Joint Committee's role is to oversee the management of those services which are provided on a Cheshire-wide basis on behalf of both councils to ensure effective delivery of

such services and to provide strategic direction. The Joint Committee consists of 6 Members: 3 from each Council. It is chaired and administered on alternate years by each Council; it is currently being chaired and administered by Cheshire West and Chester Council.

- 2.2** Cheshire East and Cheshire West and Chester Councils agreed to commission a strategic review of all the existing eight formal shared services in 2021. 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. This work has been completed and reported to the Joint Committee.
- 2.3** The Joint Committee have accepted the changes. Officers are working up plans to implement them. Consideration is also being given to options to revise the governance arrangements, including for the Joint Committee itself.
- 2.4** The work has been undertaken in 3 phases: in depth reviews of ICT and Transactional Services and desk top reviews of the six smaller services.
- 2.5** The remainder of this report focuses on the ICT Shared Service. The key findings of this review were to move to a more hybrid model where both councils would have their own ICT service and some functions would continue to be shared. The Joint Committee agreed to commission further work on technical and financial assurance and due diligence. Due to the complexity, officers from both councils are working through the detail of how a new model could be implemented, so that Members will have the necessary information to be able to make a decision on the future arrangements.
- 2.6** That work has been undertaken over the summer and is progressing. This would be another complex business change programme, which impacts on both councils. We are therefore mindful of outcomes of the recent Lessons Learned Review of Best4Business which require further detailed consideration in the context of any decision on a more hybrid ICT model. The work will continue over the coming weeks, with the expectation that a further report will be brought to the November meeting of the Shared Services Joint Committee and the December meeting of this Committee.

### **3. Recommendation**

- 3.1** To note the work to date on a new hybrid operating model for ICT Services and the revised timescale.

### **4. Reasons for Recommendations**

- 4.1** The Committee is the parent committee for the shared services between Cheshire East and Cheshire West and Chester Councils. A decision on the implementation of a new hybrid operating model for ICT Services would be for this Committee and Cheshire West and Chester's Cabinet to take, once apprised for the relevant information, costs, and benefits.

## **5. Other Options Considered**

Options were considered as part of the independent review.

## **6. Background**

The background is covered in the previous reports to this Committee and the Shared Services Joint Committee.

## **7. Consultation and Engagement**

**7.1** There has been no formal consultation at this stage. Staff from both councils have been informed of the Shared Services Review and timescales.

**7.2** Consultation and engagement with the relevant Trade Unions and staff will be arranged to align with formal decision-making.

## **8. Implications**

### **8.1 Legal**

The implementation plan will outline the legal implications. External legal advice is being sought on the implications of any disaggregation of staff between the two councils.

### **8.2 Finance**

The implementation plan will outline the financial implications. We anticipate an 'invest to save' business case will be necessary. In the current financial year, the ICT Shared Service is forecasting an overspend of £2.4m linked to the current funding model which is predicated on the service providing 100,000 hours of project support. At present the estimate is 66,000 hours.

### **8.3 Policy**

### **8.4 Equality**

There are no specific implications at this stage

### **8.5 Human Resources**

At present there are 145 Cheshire East staff and 38 agency staff potentially affected.

### **8.6 Risk Management**

The implementation plan will outline the risk implications.

### **8.7 Rural Communities**

There are no specific implications at this stage.

### **8.8 Children and Young People/Cared for Children**

There are no specific implications at this stage.

## 8.9 Public Health

There are no specific implications at this stage.

## 8.10 Climate Change

There are no specific implications at this stage.

<b>Access to Information</b>	
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Appendices:	None
Background Papers:	Shared Services Joint Committee agendas <a href="#">Browse meetings - Shared Services Joint Committee   Cheshire East Council</a>