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To Shared Service Joint Committee members

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

Tel: 01270 686473
email:
rachel.graves@cheshireeast.gov.uk

DATE: 26 June 2013 :

Dear Councillor

SHARED SERVICES JOINT COMMITTEE - FRIDAY 28TH JUNE 2013

I am now able to enclose, for consideration at next Friday 28th June 2013 meeting of the Shared Services Joint Committee, the following reports that were unavailable when the agenda was printed.

Agenda No10 SLE Programme Update (Pages 1 - 6)

To consider a joint report of the Chief Operating Officer, Cheshire East Council and the Director of Resources, Cheshire West and Chester Council on the progress of the SLE Programme

Yours sincerely

Rachel Graves
Democratic Services Officer

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CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICE JOINT COMMITTEE

Date of Meeting: 28th June 2013
Report of: Cheshire East – Chief Operating Officer
Cheshire West and Chester – Director of Resources
Subject/Title: SLE Update

1.0 Report Summary

- 1.1 This report provides an update on the work being undertaken to deliver a Separate Legal Entity (SLE) for the ICT and HR and Finance Shared Services. This project has been instigated by the Joint Committee and duly approved by Cheshire East Council (CE) and Cheshire West and Chester Council (CWAC).

2.0 Decision Requested

- 2.1 That progress on the development of the Separate Legal Entity for ICT and HR and Finance Shared Services be noted.

3.0 Reasons for Recommendations

- 3.1 Detailed decisions regarding the development of the SLE have been delegated to an Executive Programme Board by East Cabinet and West Executive on the proviso that they are regularly appraised of progress on this project.

4.0 Wards Affected

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

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including

- 6.1 None.

7.0 Financial Implications

- 7.1 In approving the development of an SLE for the stated shared services, both Councils have committed resources to facilitate delivery of the project. The

overall budget amounts to £645k. It is anticipated that this will be used to fund:

- The appointment of key personnel including a Managing Director and Communications resources
- Oracle Build

- 7.2 A detailed plan to optimise this budget and its impact is underway, but to date nothing has been spent. A budget tracker is being developed to keep account of how and where funding is used.

8.0 Legal Implications

- 8.1 The Shared Services Administrative Agreement sets out the overall arrangements in relation to the manner in which authorities will work together. Shared Service Agreements and Secondment Agreements set out the mechanisms by which individual Shared services operate.
- 8.2 The above document will help to inform the Head of Terms for the SLE and will provide the blueprint on which the company starts to develop. It is anticipated that the Company will be registered by 1 October 2013 to enable the SLE to operate in shadow mode before becoming fully operational on 1 April 2014.
- 8.3 There are significant legal issues to be addressed as this project progresses e.g. TUPE transfer of employees from CE and CWAC to the SLE, transfer of assets, novation of contracts etc. Each of these will need to receive due consideration by the Executive Programme Board at the appropriate time.

9.0 Risk Management

- 9.1 There is a risk that if the project is not progressed to plan the overall outcome of a fully functioning SLE being in place by the required deadline will not be achieved leading to anticipated benefits not being realised and causing further uncertainty to employees and key stakeholders. Therefore a robust approach to risk management and escalation will be instilled across the programme to ensure that individual workstreams, the Programme Board and Executive Programme Board effectively manage risks at the appropriate level for the duration of the project.
- 9.2 A “living” Risk Register will be developed to ensure that risks are considered on a frequent basis and mitigating action is undertaken as soon as possible to effectively manage the risk.

10.0 Background and Options

- 10.1 In November 2009 the Joint Committee requested that the potential for developing key shared services into a Separate Legal Entity (SLE) be explored. Following a rigorous and in-depth process a Business Case to transition the ICT and HR and Finance Shared Services into an SLE were considered by CWAC Executive and CE Cabinet earlier this year (09.01.13 and 2.04.13 respectively). It is anticipated that the shared services concerned

will move into SLE shadow mode from 1st October 2013 before becoming a fully fledged company on 1 April 2014.

10.2 Since the Councils' decisions the following action has been taken to progress the delivery of the SLE:

- An Executive Programme Board has been established including the Chairman and Vice-chairman of the Joint Committee to provide robust governance;
- An officer Programme Board is up and running under the management of joint Senior Responsible Owners (SRO) tasked with managing overall project delivery (CE: Chris Mann, CWAC – Mark Wynn);
- A Programme Manager and individual project leads have been identified and a workshop to flesh out key activities and deliverables has been held;
- A detailed Programme Plan is being developed to provide a route map to delivering the SLE and to ensure that dependencies across projects are being identified ;
- Risk and Issues logs are being compiled and a Decision Log has been put in place, and;
- Recruitment to key posts is underway i.e. Managing Director (interviews 11.07.13) and Communications resource.

10.3 Monthly Executive Programme Board meetings have been scheduled but will only be convened when there are significant issues to be discussed and agreed. The SRO's are currently compiling a list of issues which need to be addressed at this level.

10.4 The Officer Programme Board is scheduled to meet fortnightly and met formally for the first time on 20.06.13. Their current focus is to develop the detailed Programme Plan bringing together the activity to be undertaken in each project to deliver the required outcome. Individual project workstreams have been identified as (shown in Appendix 1):

- Staff and Stakeholder Engagement
- Company Formation and Governance
- Client Operations
- SLE Operations
- Contract and Performance Management
- Business and Development Plan

10.5 Project Leads are currently identifying the relevant resource to assist them in delivering the required outputs in each case.

14 Conclusion

14.1 Work to transition the ICT and HR and Finance Shared Services to a fully functioning Separate Legal Entity by 1 April 2014 is now underway. Whilst this is initially focusing on project structure and governance it is anticipated that the groundwork in developing a comprehensive programme plan together

with underpinning processes (e.g. risk/ issue / decision logs) will provide and overall robust approach to delivering the required outcome.

- 14.2 Further updates will be provided to the Joint Committee on a regular basis to provide assurance as the SLE project progresses.

15 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Officer: Rachel Musson– Cheshire East Council

Julie Gill, Director of Resources – Cheshire West & Chester Council

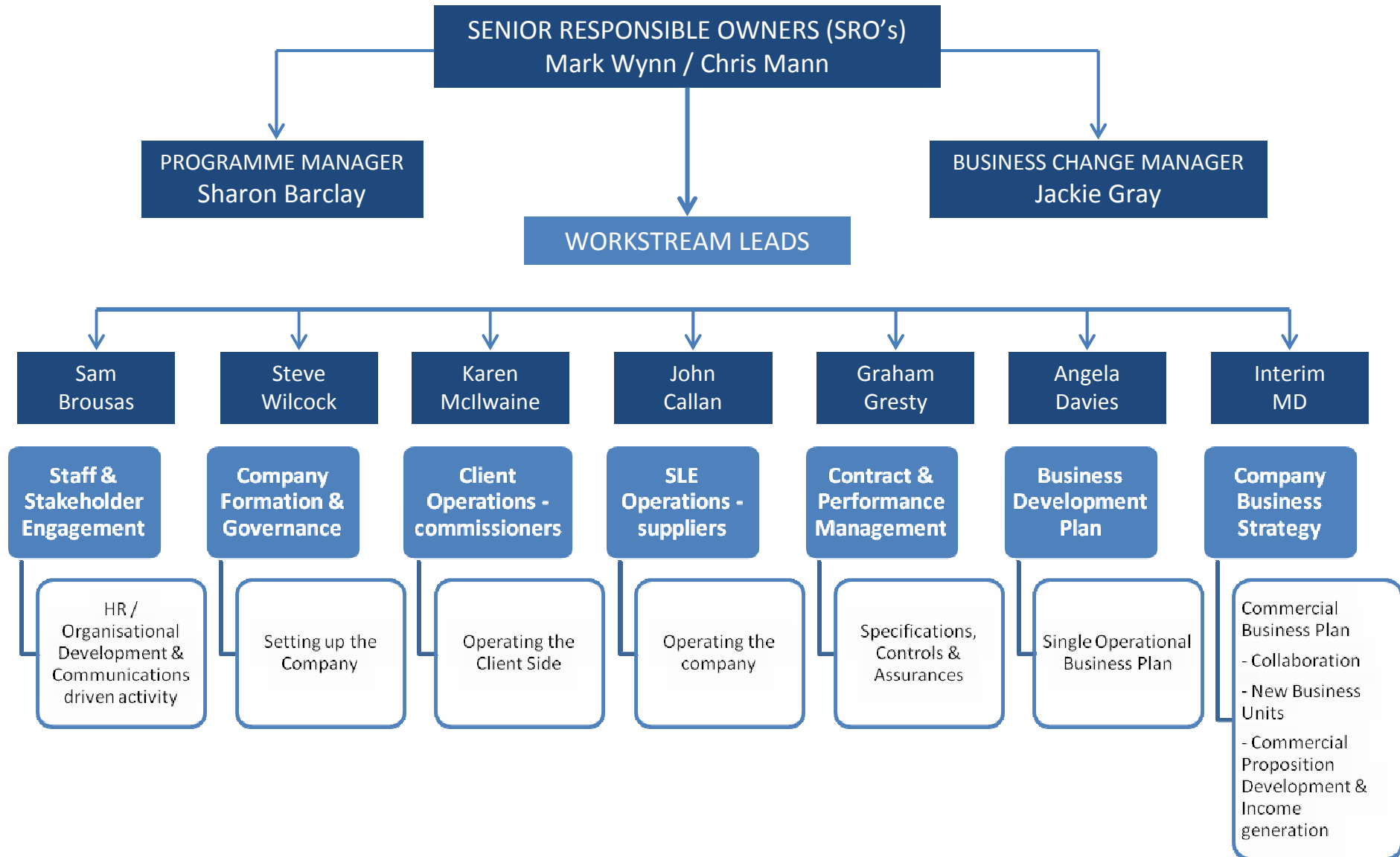
Tel No: 01270 686628 / 01244 977830

Email: Rachel.musson@cheshireeast.gov.uk /

Julie.gill@cheshirewestandchester.gov.uk

Appendix 1

Shared Services SLE – Programme Board & Workstream Structure



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