

# Corporate Scrutiny Committee

## Agenda

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<b>Date:</b>	<b>Tuesday, 1st November, 2011</b>
<b>Time:</b>	<b>2.00 pm</b>
<b>Venue:</b>	<b>Committee Suite 1,2 &amp; 3, Westfields, Middlewich Road, Sandbach CW11 1HZ</b>

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

### **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**
2. **Minutes of Previous Meeting** (Pages 1 - 4)
3. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests and for members to declare the existence of a party whip in relation to any item on the agenda.

4. **Public Speaking Time/Open Session**

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

Note: In order for officers to undertake any background research, it would be helpful if members of the public contacted the Scrutiny officer listed at the foot of the agenda, at least one working day before the meeting to provide brief details of the matter to be covered.

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For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

**Contact:** Mark Nedderman  
**Tel:** 01270 686459  
**E-Mail:** [mark.nedderman@cheshireeast.gov.uk](mailto:mark.nedderman@cheshireeast.gov.uk)

5. **Shared Services** (Pages 5 - 12)

To consider a report of the Shared Services Manager and Temporary Procurement Unit Manager.

6. **Work Programme Progress Report** (Pages 13 - 20)

To consider a report of the Borough Solicitor.

7. **Forward Plan - Extracts** (Pages 21 - 24)

To note the current forward plan, identify any new items, and to determine whether any further examination of new issues is appropriate.

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Corporate Scrutiny Committee**  
held on Tuesday, 4th October, 2011 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor J P Findlow (Chairman)  
Councillor D Newton (Vice-Chairman)

Councillors G Baxendale, B Burkhill, S Corcoran, W S Davies, F Keegan and  
B Moran

**Apologies**

Councillors G Morris, D Neilson and D Topping

134 **ALSO PRESENT**

Councillor PH Mason Procurement and Shared Services Portfolio Holder

135 **OFFICERS PRESENT**

Lisa Quinn - Director of Finance and Business Services  
Sam Clemence – Category Manager  
Wendy Clarke – Interim Category Manager  
Janet Ellison Jones - Category Manager  
Mark Nedderman –Senior Scrutiny Officer

136 **MINUTES OF PREVIOUS MEETING**

RESOLVED – That the minutes of the meeting held on 2 September be  
confirmed as a correct record and signed by the Chairman.

137 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

138 **PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present who wished to address the  
committee.

139 **PROCUREMENT UPDATE**

Lisa Quinn supported by Samantha Clements, Wendy Clarke and Janet Ellison  
Jones gave a presentation on the Council's procurement strategy.

Lisa explained that the Council's existing strategy 2009-2012 was to be the subject of a substantial revision with a view to a new strategy being in place by 1 April 2012.

In March 2011, the procurement unit had been subject to a health check by the North West Improvement and Efficiency Partnership (NWIEP) Association of Greater Manchester Authorities (AGMA).

The health check had identified the following:

- a) That the role and structure of the Central Procurement function should be reviewed to develop a team that is adequately staffed and skilled to deliver the service required by service areas to ensure the Council's significant buying power is used to maximise the social, economic and environmental benefits to your local communities.
- b) That a skills analysis of the Procurement staff be undertaken to identify any gaps where training is required to ensure the staff have the required commercial knowledge and procurement skills to fully support departments in delivering value for money in all procurement activities.
- c) That membership in AGMA be maximised to develop detailed spend analysis and increase engagement in collaborative procurement opportunities and the improvement and efficiency programme.
- d) That a comprehensive central contract register be produced covering the contracts in place within each individual Department.
- e) That a detailed Procurement Forward Plan be developed for the next 3 years.
- f) That a detailed savings sheet be implemented identifying the areas targeted to deliver savings in each financial year for the next three years.

The Chief Executive had been involved in high level discussions with AGMA representatives about an initiative to establish a 'leading edge' Procurement Service for AGMA, which may be either a Shared Service or a strategic collaboration. The initiative was in its early stages with 4/5 authorities expressing an interest, but Cheshire East had given a firm commitment to join this major project. The Council also had an existing commitment to the AGMA Improvement & Efficiency Programme as an Associate Member.

The Procurement process at Cheshire East was being transformed and reviewed through a number of mechanisms:

- The P2P (Procure to Pay) process straddled the HR & Finance Shared Service and the CE corporate procurement process. This was being reviewed and improved through the Business Management Programme.
- The HR & Finance Shared Service, including the shared element of the P2P process, was part of the major Shared Service improvement programme that was likely to culminate in the creation of a Separate Legal Entity (SLE).

- The Shared Service situation had been significantly rationalised further through the closure of CBS Supplies, the stocks and supplies service inherited from the County Council.

Wendy Clarke informed the Committee that the current arrangement with the Council's employment agency expired at the end of March 2012 and the Council was working with colleagues in Cheshire West and Chester Council to jointly procure future agency services.

RESOLVED –

- (a) That the presentation be noted;
- (b) That an item be added to the Committees work programme to review the procurement of the Agency Staff Contract.

#### 140 **WORK PROGRAMME PROGRESS REPORT**

The Committee considered a report of the Borough Solicitor containing the Committee's Work programme for 2011/2012.

The Chairman informed the Committee that he and the vice Chairman had recently met the new Resources Portfolio holder to discuss with him emerging issues within the Resources portfolio and had suggested that the Council should consider the options available in the Localism Bill to review the Council's governance arrangements.

RESOLVED –

- (a) That the report be received;
- (b) That an item be added to the Committee's work programme to investigate options available in the Localism Bill to review the Councils governance arrangements.

#### 141 **FORWARD PLAN - EXTRACTS**

The Committee considered items listed in the current forward plan.

RESOLVED – That the Forward Plan be received and noted.

The meeting commenced at 2.00 pm and concluded at 3.56 pm

Councillor J P Findlow (Chairman)

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## Corporate Overview & Scrutiny Committee

### Shared Service Update

#### Introduction

1 Twelve months ago the Corporate Overview and Scrutiny Committee received an introductory briefing on the Shared Service arrangements put in place between Cheshire East (CE) and Cheshire West and Chester (CWaC) Councils post Local Government Review. This included an overview of:

- 32 sharing arrangements in place and current status
- Underpinning legal agreements
- Governance arrangements
- Key achievements
- Developments to move the Shared Services forward

2 This briefing will focus on the progress made over the intervening period and invite discussion on how the Corporate Overview and Scrutiny Committee can be effectively engaged in future developments to ensure that the benefits of the remaining sharing arrangement are realised for Cheshire East Council.

#### Current Progress

3 During the last year several of the transitional Shared Services have concluded to plan in favour of separate alternative arrangements in each Council. The Appendix to this report provides an overview of the remaining Shared Services. It is anticipated that by the end of the year only ten Shared Services will remain.

4 Several initiatives are now being taken forward around the remaining Shared Services with CWaC. These can be summarised as follows:

- Separate Legal Entity – Work is currently underway to develop a robust business case to transfer the ICT, HR and Finance and Occupational Health Shared Services to a separate legal entity (SLE) to enable these services to operate in a more commercial environment. As part of this project the potential for greater collaboration with additional partners and extended trading opportunities are currently being explored. It is anticipated that the SLE will deliver further efficiencies for both CE and CWaC as well as helping to address problematic staffing arrangements through enabling the harmonisation of terms and conditions for staff employed in these services.
- Improving Performance – Activity is underway to stabilise and improve the performance of the Shared Services across the board. However this is primarily

focused on those services being considered as part of the SLE. Elements of this work include:

- Comprehensive benchmarking and consultation on the delivery of the ICT Shared Service
  - Robust approach to employee performance management
  - HR and Finance customer satisfaction surveys to be completed before the new year
- Performance Management Framework – efforts continue to strengthen the overall approach to performance management across the Shared Services. Initial Business Plans and Service Delivery statements have been revised to ensure these continue to meet the changing needs of CE and CWaC councils. Mid-year performance reporting has been introduced for 2010-11 to provide reassurance on Shared Service delivery.
- Budget Management - The majority of the remaining Shared Services are hosted by CWaC which means that CE is reliant on them to provide accurately and timely data to inform its own accounting processes. In practice this has not been without its difficulties. As a result CE will be undertaking a review of this activity with a view to discussing an improved approach with CWaC to be implemented in the near future.
- ICT Zero Based Budget – A comprehensive exercise has been undertaken to understand the budget deficit in the ICT Shared Service. Measures are being taken as part of the SLE work programme to address this issue.
- Risk Management – As part of the Business Planning process all Shared Services are required to produce a current risk assessment. These in turn help to inform the Strategic Shared Service Risk Register regularly monitored by the Joint Officer Board and Joint Committee.
- Shared Protocols – Several protocols have been developed on the basis of emerging practices to assist the ongoing governance of Shared Services. These include areas such as HR, Procurement, Finance and Audit.

### **Moving Forward**

5 The main focus for Shared Services for the immediate future will be the development of the SLE. CE and CWaC Corporate Management Teams will be discussing this further in early December.



6 Moving forward, however, there are other opportunities which need to be explored which could benefit the Council in terms of achieving efficiencies through further collaborative working. These could involve CWaC but other options are equally being pursued, particularly with the AGMA authorities.

7 AGMA has identified several areas where mutual benefits could be gained by sharing services. CE Council is keeping a watching brief on a many of these with a view to seeing how they develop. However one area of collaboration that could benefit the Council more immediately is procurement and the potential around this is actively being pursued.

8 In its sharing arrangements with CWaC, the Council is well ahead of the game in terms of Shared Services. Research suggests that few, if any, other councils can claim the same breadth of sharing arrangements. A proven governance model and the Council's experience to date provide a strong basis to pursue further sharing opportunities that could benefit the Council and its partners in these austere times.

**Lisa Quinn – Director of Finance and Business Services**



## CHESHIRE SHARED SERVICES: POSITION SUMMARY – 20.10.11

SERVICE NAME	REVIEW / END	CURRENT STATUS
HR and Finance	N/A	These Shared Services are currently being considered for transfer to a separate legal entity (SLE) to facilitate greater collaboration with partners and to increase trading potential to generate further efficiencies for CE and CWAC. The development of the SLE will also resolve several HR issues which are set to be further complicated by revisions to Terms and Conditions in CE and CWAC. To support this, an outline business case and visioning brief have been developed and discussed with the Joint Management Team (JMT) and Joint Committee who have both approved the concept in principle. Work is underway to stabilise and improve service delivery and to explore the potential for additional partners. An update on progress is to be submitted to the JMT on 1 December 2011.
ICT	N/A	
Occupational Health	N/A	
Farms Estate	N/A	The division of the Farms Estate portfolio has been agreed between CE and CWAC. For the time being the shared management of the estates will continue under current governance arrangements.
Civil Protection / Emergency Planning	N/A	Sub-regional project underway to develop a multi-local authority shared service alongside a multi-blue light agency shared service with a longer term prospect of joining the two teams into a single multi-agency shared service.
Libraries Specialist Service	N/A	Alternative premises and capital expenditure have been secured to co-locate this Shared Service and to deliver associated efficiencies. Terms of reference for a review of the LSS have recently been agreed with a view to defining and improving future service delivery. Joint Committee agreed that Councillors Brown (CE) and Parker (CWAC) to provide Member challenge to this review.
Archives	N/A	The Joint Committee have agreed a Member review of the Archive to assess the future of the Shared Service and its accommodation needs moving forward. Councillors Brown, Mason and Flude from CE and Councillors Parker and Crompton from CWaC are actively involved in the review and the next stage will involve a site visit to a new archive facility in East Riding.
Rural Touring Network	N/A	A new partnership arrangement with “Spot-on” Lancashire is currently being developed
Approved Mental Health Professional	N/A	Work is underway to transition this Shared Service in favour of a broader partnership arrangement with other local authorities who participate in this training programme.
Archaeology Planning and Advisory Service	N/A	A revised long term sharing arrangement was agreed by Joint Committee on 29.07.11. This involved a move away from the Secondment Agreement in favour of the TUPE transfer of two CE staff to CWaC.
Youth Offending Service	31 March 2011	Sub Regional Leaders have commissioned a review of YOS provision to explore further sharing opportunities across the anticipated that the outcome of this review will provide a clear steer for future arrangements in CE and CWaC.
Highways Maintenance Contract	31 October 2011	The Bam Nuttal contract concluded in CE early in October to be replaced with the Ringway Jacobs contract. However, the Shared Service arrangement is set to run until 31.12.11 to ensure the effective and proper closedown of any residual business.
Urban Traffic Control	31 October 2011	This Shared Service arrangement is currently being disaggregated and will be completed by 31.12.11
Integrated Transport	30.09.11	The bulk of this Shared Service has been successfully disaggregated to separate arrangements in CE and CWAC. However, it was agreed that small areas of service (i.e. concessionary fares and Traveline) would remain shared until 31.12.11 pending further discussion around long term arrangements.

SERVICE NAME	REVIEW / END	CURRENT STATUS
Autism Support	Transitioned	This Shared Service arrangement has been terminated but completion of the Transition Log is currently outstanding
Learning Resource Network	Transitioned	This Shared Service arrangement has been terminated but completion of the Transition Log is currently outstanding
International Unit	Transitioned	Termination agreed by Joint Committee with transfer of funding to LEP but outstanding financial issues relating to Brussels office to be resolved. Log to be finalised and signed off.
Drugs and Alcohol Team	Transitioned	Log to be finalised and signed off.

	Shared Services being considered as part of separate legal entity
	Shared Services to continue under governance model
	Shared Services in process of transitioning to alternate arrangements
	Shared services that have completed transition but final sign off outstanding

SERVICE NAME	REVIEW / END	CURRENT STATUS
Emergency Duty Team	Transitioned	Disaggregation completed. Log closed by JOB 08.06.11., subject to CWAC Team Leader appointment (confirmed at JOB 12.10.11) . Joint Committee agreed 29.07.11
CBS Supplies	Transitioned	Close down completed. Transition log completed and signed off by Joint Committee 29.07.11
Cheshire Domestic Abuse	Transitioned	Transition completed and log signed off by Joint Committee 18.03.11
Visual Impairment Service	Transitioned	Transition completed and log signed off by Joint Committee 18.03.11
Student Finance	31 January 2011	Operation recently handed over to the Student Loans Company as planned. Log agreed and signed off by Joint Committee 18.03.11
NVQ Assessment Centre	Transitioned	Log closed by JOB and agreed by Joint Committee 28.05.2010
Highways and Geotech Lab	Transitioned	Log closed by JOB and agreed by Joint Committee 28.05.2010

**KEY:**

	Shared Service being considered for separate legal entity
	Long term shared service to continue under governance arrangements
	Shared Services in process of transition
	Former shared services transitioned to separate arrangements but process to be completed (paperwork outstanding)
	Former shared service transition completed

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**.CHESHIRE EAST COUNCIL****REPORT TO: CORPORATE SCRUTINY COMMITTEE**

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**Date of Meeting:** 1 November 2011  
**Report of:** Borough Solicitor  
**Subject/Title:** Work Programme update

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**1.0 Report Summary**

- 1.1 To review items in the 2011/2012 Work Programme listed in the schedule attached, together with any other items suggested by Committee Members.

**2.0 Recommendations**

That the 2011/2012 work programme be reviewed.

**3.0 Reasons for Recommendations**

- 3.1 It is good practice to agree and review the Work Programme to enable effective management of the Committee's business.

**4.0 Wards Affected**

- 4.1 All

**5.0 Local Ward Members**

- 5.1 Not applicable.

**6.0 Policy Implications including - Carbon reduction  
- Health**

- 6.1 Not known at this stage.

**7.0 Financial Implications**

- 7.1 Not known at this stage.

**8.0 Legal Implications**

- 8.1 None.

**9.0 Risk Management**

9.1 There are no identifiable risks.

## **10.0 Background and Options**

10.1 At its meeting held on 4 October 2011, the Committee added the following items to the work programme:

- Political Management Arrangements - to review the range of options likely to be available to local authorities in the Localism Bill;
- Agency Staff - to be consulted on the procurement of temporary agency staff – a joint arrangement with Cheshire West and Chester Council.

10.2 Following an informal meeting with the Chairman and Cabinet on 10 October 2011, the item concerning support for the mayoralty has been amended to allow the Committee to review this item again in six months time following advice from the Leader of the Council.

10.3 When selecting potential topics, Members must have regard to the Corporate Plan and Sustainable Community Strategy – ‘Ambition for all’ and also to the general criteria which should be applied to all potential items when considering whether any Scrutiny activity is appropriate. Matters should be assessed against the following criteria:

- Does the issue fall within a corporate priority;
- Is the issue of key interest to the public;
- Does the matter relate to a poor or declining performing service for which there is no obvious explanation;
- Is there a pattern of budgetary overspends;
- Is it a matter raised by external audit management letters and or audit reports?
- Is there a high level of dissatisfaction with the service;

10.4 If during the assessment process any of the following emerge, then the topic should be rejected:

- The topic is already being addressed elsewhere
- The matter is subjudice
- Scrutiny cannot add value or is unlikely to be able to conclude an investigation within the specified timescale



**11    *Access to Information***

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

Name:            Mark Nedderman  
Designation: Senior Scrutiny Officer  
Tel No:          01270 686459  
Email:          mark.nedderman@cheshireeast.gov.uk

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Corporate Overview and Scrutiny Committee Work Programme November 2011

<b>Issue</b>	<b>Description/Comments</b>	<b>Suggested by</b>	<b>Portfolio Holder as at October 2011</b>	<b>Corporate Priority</b>	<b>Current Position R,A,G</b>	<b>Date for completion</b>
Budget	Consultation group set up to review consultation arrangements for 2011/2012.	Committee	Resources	Nurture Strong Communities	Next meeting 27 October 2011.	Start date July 2011 and ongoing
Business Generation Centres	Review the formal response of Cabinet and subsequent actions	Portfolio Holder	Prosperity	Create Conditions for Business growth	Formal Cabinet response expected in November 2011	6 March 2012
Mayoralty/Civic arrangements in Cheshire East	Review procedures and support for the mayoralty and arrangements for civic duties.	Portfolio Holder	Resources	Nurture Strong Communities	To be reviewed in 6 months time.	TBA
Procurement	To review procurement arrangements in Cheshire to ensure that the Council is achieving best value.	Portfolio Holder	Procurement and Shared Services	Nurture Strong Communities	Presentation received on 4 October 2011	4 October 2011
Shared Services	Of the original 28 shared services, 11 have been disaggregated, and 5 are in transitional stage. The committee to receive a position statement on the current shared services	Portfolio Holder	Procurement and Shared Services	Nurture Strong Communities	Report on today's agenda.	TBA

	arrangements and on proposals to set up Separate Legal entities(SLE's)					
Future Political Management arrangements in Cheshire East	To review the range of options likely to be available to local authorities in the Localism Bill in respect political management structures	The Committee	Resources	Nurture Strong Communities	To be prioritised	TBA
Temporary Agency Staff Contract	To be consulted on the procurement of temporary agency staff – a joint arrangement with Cheshire West and Chester Council.	The Committee	Procurement and Shared Services	Nurture Strong Communities	Report expected at 25 November meeting,	25 November 2011



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## **FORWARD PLAN 1 NOVEMBER 2011 - 29 FEBRUARY 2012**

This Plan sets out the key decisions which the Executive expect to take over the next four months. The Plan is rolled forward every month. It will next be published in mid November and will then contain all key decisions expected to be taken between 1 December 2012 and 31 March 2012. Key decisions are defined in the Councils Constitution.

Reports relevant to key decisions, and any listed background documents may be viewed at any of the Councils Offices/Information Centres 6 days before the decision is to be made. Copies of, or extracts from these documents may be obtained on the payment of a reasonable fee from the following address:-

Democratic Services Team  
Cheshire East Council ,  
c/o Westfields, Middlewich Road, Sandbach Cheshire CW11 1HZ  
Telephone: 01270 686463

However, it is not possible to make available for viewing or to supply copies of reports or documents, the publication of which is restricted due to confidentiality of the information contained.

A decision notice for each key decision is published within 6 days of it having been made. This is open for public inspection on the Council's Website, Council Information Centres and Council Offices.

The law and the Council's Constitution provides for urgent key decisions to be made. A decision notice will be published for these in exactly the same way.

Forward Plan 1 November 2011 to 29 February 2012

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	Relevant Scrutiny Committee	How to make representation to the decision made
CE11/12-19 Connexions Cheshire and Warrington	To approve the future governance arrangements.	Cabinet	31 Oct 2011		Children and Families	Lorraine Butcher, Strategic Director (Children, Families and Adults)
CE11/12-16 Congleton Town Centre - Bridestones Extension Scheme	To give authorisation to proceed on with the scheme, to move the project into the delivery phase and to commence work on the site.	Cabinet	28 Nov 2011		Environment and Prosperity	John Nicholson, Strategic Director (Places and Organisational Capacity)
CE10/11-49/1 Future Operation Knutsford Cinema	To decide on the future running and preferred operating model.	Cabinet	28 Nov 2011	Local community groups and Knutsford Town Council.	Health and Wellbeing	Guy Kilminster, Head of Health and Wellbeing Services
CE10/11-89 Cheshire East Housing Strategy	To adopt the Local Housing Strategy, a key document which articulates the housing vision for Cheshire East, setting out the housing priorities and way in which they will be delivered.	Cabinet	28 Nov 2011	With stakeholders, partners, general public during the development of the Strategy; the Draft Strategy will also be consulted upon.	Prosperity	John Nicholson, Strategic Director (Places and Organisational Capacity)



<b>Key Decision</b>	<b>Decisions to be Taken</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>Relevant Scrutiny Committee</b>	<b>How to make representation to the decision made</b>
CE11/12-18 Temporary Agency Staff Contract	To approve the award of this contract as a joint arrangement with Cheshire West and Chester Council.	Cabinet	5 Dec 2011	Supplier Briefing.	Corporate	Paul Bradshaw, Head of HR and Organisational Development
CE10/11-49/2 Future Operation of Crewe Lyceum Theatre	To decide on the future running and preferred operating model.	Cabinet	6 Feb 2012	Voice for Crewe, local community groups, Crewe Charter Trustees,	Health and Wellbeing	Guy Kilminster, Head of Health and Wellbeing Services
CE11/12-4 Business Planning Process 2012/2015 - Business Plan	To approve the Business Plan for 2012/2015 incorporating updated budget and policy proposals together with the Capital Programme.	Cabinet, Council	6 Feb 2012	With all Members and a range of local stakeholders including PCT's, Parish Councils, social care representatives, businesses, trades unions, the schools forum and the public.	To be determined but expected to be a scrutiny budget consultation group.	Lisa Quinn, Director of Finance and Business Services

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