



# Shared Services Joint Committee

## Agenda

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**Date:** Friday 19th May 2017  
**Time:** 2.00 pm  
**Venue:** Committee Room 1 - Wyvern House, The Drummer, Winsford, CW7 1AH

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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. **Appointment of Chairman**

To appoint a Chairman for the Shared Services Joint Committee for the 2017-18 Municipal Year.

2. **Appointment of Vice-Chairman**

To appoint a Vice-Chairman for the Shared Services Joint Committee for the 2017-18 Municipal Year.

3. **Apologies for Absence**

To note attendances, substitutes, and any apologies for absence.

4. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

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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:** Rachel Graves

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

Members of the public are entitled to address the Joint Committee on reports contained within the agenda. One person can speak in support of each item, and one against, with a limit of three minutes each. It would be helpful if any person wishing to speak would give prior notice to the Democratic Services Officer named above.

6. **Minutes of Previous meeting** (Pages 3 - 8)

To approve the minutes of the meeting held on 24 March 2017.

7. **Shared Services Performance Outturn 2016-17** (Pages 9 - 42)

To consider a report on the outturn position for the Shared Services arrangements between Cheshire East Council and Cheshire West and Chester Council.

8. **Transactional Service Centre – Progress Report** (Pages 43 - 46)

To receive an update on the development of the Transactional Service Centre.

9. **ICT Shared Service - Transformation Phase** (Pages 47 - 56)

To receive a progress update on the ICT Shared Services, focussing on the Transformation Phase of the service.

10. **Archives Update** (Pages 57 - 60)

To receive a progress update on the Archives Project.

## SHARED SERVICES JOINT COMMITTEE

24 MARCH 2017  
(2.00 pm - 2.45 pm)

**PRESENT:** Councillor David Armstrong

Councillors David Armstrong, David Brown, Paul Dolan,  
Paul Findlow and Louise Gittins

Apologies for absence were received from Councillors Paul Donovan and Groves

Officers in attendance:	Mark Wynn	– Director of Corporate Services
	Samantha Brousas	– Director of Professional Services
	Peter Bates	– Chief Operating Officer
	Dominic Oakeshott	– Senior Manager, Finance
	Ian Kirby	– Senior Manager, Audit and Compliance
	Simone Thomas	– Senior Manager, ICT Solutions
	Gareth Pawlett	– Senior Manager ICT
	Suzanne Antrobus	– Senior Lawyer
	Heloise MacAndrew	– Corporate Solicitor
	Tracey Brown	– Democracy and Elections Officer

# 1 DECLARATIONS OF INTEREST

No Declarations of Interest were made.

# 2 MINUTES

**DECIDED: That**

the Minutes of the meeting held on 27 January 2017 be approved as a correct record and signed by the Chairman.

# 3 PUBLIC QUESTION TIME/OPEN SESSION

No members of the public were in attendance and no questions had been submitted prior to the meeting.

# 4 TRANSACTIONAL SERVICE CENTRE - PROGRESS REPORT

The report provided a progress update in relation to the development of the Transactional Service Centre (TSC) following the decision of the Committee to extend the initial period of transition to 31 March 2017. The report also provided the information that the shared service was required to provide Committee and/or Joint Officer Board (JOB) under the Shared Services Agreement.

Members noted that the Target Operation Model was defined as an overarching approach to the delivery of the TSC that would encompass the strategic business plan, the service catalogue and payment mechanism (pay mech), the structure (the initial management restructure with a clear project plan and timescales for the wider service restructure), and transformation plan under the governance of the Transition Board.

Following the Management Restructure the existing, six, management roles had been deleted and four new roles implemented through an alignment of 'on-boarded' and existing Transactional Services.

The Strategic Business Plan, agreed at the 23 September, Joint Committee, had been updated to reflect the requested 'transformation' phase and set out the clear direction of the service. The Plan outlined core vision, goals and objectives; a draft Performance Management Framework (PMF); overall and operational governance; risks and opportunities; Financial Information and a high-level Exit strategy.

Members noted the report and the summary of the next steps as outlined in the report.

**DECIDED: That**

- (1) the progress made by the service in delivering its key objectives, as outlined in the Business Plan agreed at Committee on 23 September 2016 be endorsed.
- (2) the TSC, a 'transformation' phase to 31 March 2019 and aligned to the procurement and implementation of the replacement ERP system be agreed .
- (3) the Head of Legal and Democratic Services (Cheshire East) and the Director of Governance (Cheshire West) be authorised following consultation with the Section 151 Officers for each authority to finalise the detailed terms and conditions for, and enter into, all necessary legal documentation required to give effect to recommendation (2 above).

## 5 ICT SERVICE - TRANSITION UPDATE

The report notified members of a jointly commissioned independent review of ICT across both Councils which would assure and underpin the model for ICT into the future.

Members noted that the ICT had been a challenging area for both Councils and had undergone multiple reviews and transitions over the last 5 years. Both Councils wished to ensure that ICT was aligned to their strategic directions and was supported to deliver leading edge, value for money ICT in the future. To this end the Chief Executives of both Councils had agreed a collaboration statement and a shared ICT service vision which asked that an independent review was jointly commissioned to ensure that both Councils understood where the future priorities (those that would be enabled by IT) and digital approaches were aligned and to determine the optimum IT delivery model.

An independent and holistic review supported by both Councils would provide both assurance on existing proposals and ensure that ICT in its entirety enabled both Councils to achieve their strategic objectives.

**DECIDED: That**

the contents of the report be noted.

## 6 JOINT COUNCIL ICT REVIEW

Cheshire East Council and Cheshire West and Chester Council were in the process of commissioning a joint independent review of ICT across both Councils.

The output of the review would be an evaluation of the proposed Target Operating Model for ICT Services it would include what's going well, what could be better challenges and

opportunities arising against a view of best practice, and a business case for change that enabled both Councils' future directions.

In line with the wider ambition to continue and develop shared arrangements across both Councils wherever appropriate, it had been agreed by the Chief Executives of Cheshire East and Cheshire West and Chester Councils to continue with a collaborative approach towards ICT. As opportunities provided by new technologies become available and the need of our residents change, the role and methods of delivery of the ICT Services could also change. Therefore, the Council had agreed to jointly commission an independent end to end review into how the Councils ensured that they had access to leading edge, value for money ICT in the future. The Councils wished to procure external support to provide independence to the review and to provide expertise in the operation of ICT services.

**DECIDED: That**

the contents of the report be noted.

## **7 BUSINESS SOLUTIONS PROGRAMME**

The report updated Members on the progress made in the delivery of the Business Solutions programme and to recommend the programme transitions into delivery as part of the wider transformation of IT services.

A joint external review had been commissioned by both Councils to assess wider opportunities for sharing and collaboration and would build on the work done to date and shape.

It was noted that agreement and commitment had been made from the business change leads and ICT Strategy team in CEC and the Business Technology Solutions team in CW&C to collaborate in forward procurement planning, in line with the principles of the Business Solutions Programme.

A joint design authority had now been established across both Councils to govern the joint business process work required to streamline processes and advise on implications of IT solutions' design. This was a key component to the programme of collaboration and sharing across the two Councils.

The report also provided an update to Members on the key themes and issues from the Business Solutions Programme work to date, and an indication of the direction of travel for each area of review.

**DECIDED: That**

- (1) the progress to date with the series of reviews, and the opportunities identified for collaboration and sharing across both Councils be noted
- (2) the commitment from both Councils with regards collaboration in planning future ICT procurements and the introduction of a Joint Design Authority with both business and technical expertise to govern collaboration and sharing decisions be noted.
- (3) the formal closure of this phase of the Programme be approved and agree the proposal for moving forward.

**8 FINANCE & HR SYSTEM REPLACEMENT ("BEST4BUSINESS") PROGRAMME**

Members were updated on the progress made in carrying out a formal procurement exercise for the future HR and Finance systems and processes for both Councils and partners. The report also provided an update on the business case for the programme.

The formal procurement exercise had recently been launched, and the evaluation team were in the process of reviewing the first submissions from interested bidders.

Fourteen submissions had been received at the initial Selection Questionnaire stage, and following evaluation, a shortlist of four bidders were taken forward and invited to submit outline solutions.

Members noted that during the initial outline solution phase, two of the four bidders chose to withdraw from the process. Outline solution proposals had been received from each of the two remaining bidders. These had been evaluated and scored. Both bidders had been invited to participate in the final phase of procurement dialogue.

At the outset of the detailed dialogue phase, one of the two remaining bidders chose to withdraw from the process. The programme team had taken procurement and legal advice as a result of the development. A number of options were considered. A recommendation was made to the Senior Responsible Owner to proceed with the competitive dialogue process with the remaining bidder. The importance to demonstrate that the final tendered solution offered best value to the Councils remained as important in this context as it was in the situation where multiple bidders remained in the dialogue process.

The governance timeline for the procurement decision and approval was set out in Appendix A to the report. The programme team would be reviewing the timeline as a consequence of one of the two remaining bidders withdrawing from the process, and an update would be brought to the next Committee and briefed through the programme Steering Group.

**DECIDED: That**

- (1) the work of the Finance & HR System Replacement Programme ("Best4Business") since the previous report to this Committee in November 2016 be noted and endorsed
- (2) the governance timeline set out in section 5 of the report be noted and endorsed
- (3) the updated business case position set out in section 6 of the report be noted and endorsed.

**9 ANY OTHER BUSINESS WHICH THE CHAIRMAN CONSIDERS URGENT THAT MAY BE DEALT WITH IN THE PUBLIC PART OF THE MEETING**

There was one item of business brought forward by the Chairman, which related to future meetings of the Committee being webcast.

It was agreed that members and officer would consider the implications at a future meeting of the Committee.

Chairman .....

Date .....

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## CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

### SHARED SERVICE JOINT COMMITTEE

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**Date of Meeting:** 19 May 2017  
**Report of:** Cheshire East – Chief Operating Officer  
Cheshire West and Chester – Director of Corporate Services  
**Subject/Title:** Shared Services Performance Outturn 2016-17

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#### 1.0 Report Summary

- 1.1 This report provides a summary of the outturn position for the Shared Service arrangements between Cheshire East Council (CE) and Cheshire West and Chester Council (CWaC). As such it includes indicative financial information and actual non-financial performance over the period 2016-17.
- 1.2 The report indicates that there has been a general improvement in terms of both financial and non-financial performance, with all Shared Services being rated as “Green” in terms of their overall performance. This represents an improvement to the position forecast at mid-year. For the fifth year running the aggregated Shared Services are reporting an underspend against budgets.
- 1.3 New medium term business plans for the remaining Shared Services were put in place in April 2016 and these are currently being reviewed to ensure that they continue to reflect activity going forward. An overview, including 2016-17 performance, is included in Appendix 1.
- 1.4 An indicative financial outturn position for the ICT and Transactional Shared Services is also included.

#### 2.0 Decision Requested

- 2.1 Recommended that
  - i) The Shared Services outturn performance for 2016-17 be noted.

#### 3.0 Reasons for Recommendations

- 3.1 The Shared Services Administrative Agreement makes provision for the Joint Committee to receive outturn reports based on the information and measures contained in Shared Service Business Plans.

- 3.2 The Shared Services Performance Management Framework (PMF) has been developed on the basis of Business Plans 2016-20. As it currently stands it provides a good degree of rigour to regular business planning and performance monitoring with detailed reports being produced at mid year and outturn.

#### 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 The timing of this report is such that it precedes formal financial outturn reporting in either Council and therefore all figures are to be treated as indicative at this point. In the event that there are any significant changes in financial performance these will be reported to the next scheduled Joint Committee meeting in July 2017.
- 7.2 Medium term business plans were produced for the remaining shared services to cover the period 2016 to 2020 and these were endorsed by the Joint Committee in May 2016. These are subject to annual review to ensure that they remain relevant and continue to meet the changing needs of each client.
- 7.3 At the 2016-17 outturn Shared Services are reporting an indicative aggregated underspend of £211k. High level details of this position are provided below with a full breakdown of the financial position reported in paragraphs 12 to 15 and further details contained in Appendices 1 and 2. This is a change from the 2016-17 mid year point when an aggregated underspend of £71k was forecast.

2016-17	Outturn £000	Budget  £000	Variance -Under / Over  £000
East cost	913	940	-27
West cost	784	969	-184
<b>Total Cost</b>	<b>1,698</b>	<b>1,909</b>	<b>-211</b>

- 7.4 **Cheshire East** - Within CE outturn, there is a total underspend of £27k which relates to the outsourcing of the OHU Shared Service in September 2016 (-£6k), Farms management costs (-£22k) and Archives (-£4k). These underspends are offset by an overspend in Emergency Planning (+£5k) as a result of unfunded accommodation costs for the Emergency Planning Shared Service.
- 7.5 **Cheshire West and Chester** - The overall outturn is £184k under which relates to the outsourcing of the OHU Shared Service in September 2016 (-£4k), Farms management costs (-£25k), Archives (-£8k), Libraries (-£112k), Emergency Planning, (-£7k) and Archaeology Planning (-£28k).
- 7.6 Due to the reduced number of shared services and the level of budgets for these services, the Joint Committee agreed that finance updates are only reported twice yearly at Mid-Year and at Outturn, along with non financial performance. Therefore it is anticipated that the next finance update to the Joint Committee will be the Mid Year report around November 2017. This report will also include the mid year financial position for ICT and Transactional shared services. In the event of any financial issues arising in the interim these will be reported at the earliest opportunity.

## 8.0 Legal Implications

- 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 Agreement was refreshed April 2016 in light of new sharing arrangements being introduced for ICT and Transactional services.
- 8.2 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. Business Plans are currently reviewed annually with performance being reported at the mid-year and outturn points.

## 9.0 Risk Management

- 9.1 The Shared Service Business Planning process requires that all Managers undertake a risk assessment in developing business plans. The Risk Register that this produces is reviewed at mid year and outturn to ensure that it remains relevant to ongoing service delivery. Any high level risks arising from this process will be considered by the Joint Officer Board to assess if they need to be recorded on the Shared Service Strategic Risk Register.
- 9.2 Fundamentally there is a risk that the plans for each service do not deliver the required outcome for each Council with regard to meeting the operational and financial expectations of both authorities. This will be monitored by the Joint Officer Board and escalated to the Joint Committee if appropriate.

## **10.0 Background and Options**

- 10.1 All Shared Services arrangements are underpinned by formal legal agreements and business plans providing details of the Shared Service operation, objectives and investment. These require a degree of flexibility to enable an appropriate response to the changing needs of each council. Business Plans for 2016-20 set out the measures by which the Shared Services' performance is currently assessed.
- 10.2 The planning timeframe covers April 2016 to March 2020 to align with the Councils' Medium Term Financial Strategies however the plans are subject to annual review to ensure that they remain current and respond to requirements of clients. Any changes are reported as part of the annual Outturn Performance Report.
- 10.3 Business Plans and performance management frameworks for the new ICT and Transactional Shared Service arrangements have been developed for implementation from 1 April 2017 and these will be integrated into Shared Service performance reporting going forward.
- 10.4 This report provides a summary of the Shared Services outturn performance for 2016-17. Appendix 1 provides a more detailed overview of performance and business activity.

## **11.0 Performance Outturn 2016-17**

- 11.1 This report summarises the outturn position for 2016-17 for the current formal Shared Services arrangements between CE and CWaC Councils.
- 11.2 Currently there are six remaining Shared Services (five CWAC-hosted, one CE-hosted). Three are shared services where total costs are split against an agreed % cost share agreement as set out in formative Legal Agreements:

- Farms Estate (Management)
- Archives and Local Studies
- Civil Protection – Emergency Planning

The remaining three of the services are subject to revised joint arrangement services where CE pay a fixed contribution to CWAC:

- Rural Touring Network (Grant funded)
- Archaeological Planning and Advisory Services (Transfer Agreement)
- Libraries (Transfer Agreement)

- 11.3 The table below provides headline indicator for overall performance for each of the above. This is based on progress against service objectives, performance against budget, and national and local indicators as set out in Shared Service Business Plans. Current performance is set against historic

performance to provide an indication of direction of travel for each shared service.

- 11.4 An assessment of improvement against baseline performance (where available) and targets, has been made to provide an indication of the direction of travel for each indicator. A RAG rating (Red / Amber / Green) has been applied to provide a judgement of overall performance based on these two elements. This suggests that all of the remaining shared services are performing well (Green). This is an improvement on the mid-year point when a slightly less favourable position was reported, as outlined below:

**Table 1**

SERVICE		Overall Rating 2013-14	Overall Rating 2014-15	Overall Rating 2015-16	Mid-year Rating 2016-17	Overall Rating 2016-17
A03	Farms Estate	A	G	G	G	G
A04	Emergency Planning	G	G	G	G	G
A06	Archives and Local Studies	G	G	G	G	G
A08	Libraries Specialist Support	G	G	G	A	G
A14	Rural Touring Arts	G	G	G	G	G
B14	Archaeology Planning Advisory Service	G	G	G	G	G

- 11.5 As far as possible each service have provided comparative performance against annual targets and the previous year's performance together with improvement targets for the current and following year.
- 11.6 It is acknowledged that the performance management framework (PMF) surrounding Shared Services could be more sophisticated than it currently is however any effort and resource to do this needs to be balanced against the potential benefits that this might deliver particularly given the overall reduction in Shared Service arrangements.
- 11.7 It is considered that as it stands the PMF is sufficiently robust for the current shared operation in that it provides for a regular assurance that services are being delivered to plan and performance targets are being met. In future reporting this will also include ICT and Transactional Shared Service activity to ensure that this is also adequately monitored.
- 11.8 A detailed summary of current performance for each of the above services is contained in Appendix 1 and Appendix 2 with a brief summary of each shared service provided below.

## **12.0 Farms Estate**

### **Outturn Position: £47k underspend**

- 12.1 The Service forecast is an overall position for East and West for management costs only. The underspend reflects a post being held vacant, pending a predicted increase in activity on the capital programme. This is currently being used to fund consultancy costs as and when required. Performance in general is in line with the Estates strategies of each Council.

**13.0 Emergency Planning                      Outturn Position: £2k underspend**

- 13.1 The Service has performed well throughout 2016-17, co-ordinating the response to 19 incidents including 2 Major Incidents and 8 Major Incident Standbys. Although the high number of incidents and large scale events has had an impact on full delivery of the Service's Business Plan, the team has continued to perform strongly in delivering increased preparedness and resilience levels across both Authorities, whilst also ensuring that statutory obligations and income targets have been met.
- 13.2 The overall financial position, based on the 50:50 split of costs for East and West, is an underspend of £12k. However the Cheshire East accommodation costs of £10k have been charged directly to the service resulting in the CE forecast outturn of £5k overspend, and overall underspend of £2k.

**14.0 Archives and Local Studies              Outturn Position: £12k underspend**

- 14.1 The service has continued to attract new users and continues to develop its online services. Access to the collections has been improved through a major rationalisation of storage. Maintaining accredited status for the Archives in November 2017 remains a focus and it is anticipated that the progress now being made on the Archives Relocation will go some way to ensuring that this objective is achieved although there are still considerable risks associated with this project. As a consequence the risk of not achieving new premises for the Archive now features on the Shared Services Strategic Risk register to ensure that it is regularly monitored by the Joint Officer Board.
- 14.2 The overall financial position is underspent due to vacancy management.

**15.0 Joint Arrangement services**

- 15.1 The Libraries Shared Service is underspent by £112k due to increased buyback from schools for the Education Library Service and vacancy management.
- 15.2 Performance has improved from mid year been positive at year end with activity to maintain income generated by the Education Library Services being successful.
- 15.3 The Rural Touring Arts Network is reporting a balanced position, and performance has been on target.
- 15.3 The Archaeology Planning Advisory Service is underspent by £28k due to a vacancy within the service. At year end, all Performance Indicators were on target.

## **16.0 Occupational Health Unit Outsource**

- 16.1 As previously reported, outsourcing of the Occupational Health Shared Service was completed at the end of August. The final outturn position to end of August was an underspend of £11k due to vacancy management and a reduction in costs prior to the end of the shared service agreement.

## **17.0 New Sharing Arrangements: ICT and Transactional Shared Service**

- 17.1 Up until March 2016 the provision of ICT and Transactional services to CE and CWaC were provided by the jointly owned company CoSocius Limited. However following this Committee's decision to dissolve CoSocius both of these services have been brought back in house. The revised sharing arrangements see the ICT Shared Service being hosted by CE whilst the Transactional Shared Service is hosted by CWaC.
- 17.2 Both services have regularly reported performance during the transitional phase. Joint Committee received reports from each of the services at its meeting on 24<sup>th</sup> March detailing financial and non financial performance against the respective transitional plans, in advance of the services moving to the transformational phase.
- 17.3 The indicative financial outturn position for ICT is £358k underspent. The main reason for this is due a one off Vodafone refund of £470k due to overcharging in previous financial years. A large proportion of this refund has been utilised to fund the dual running costs of PSN rather than making a request on reserves. The balance of underspend is made up of additional project hours being delivered (which has been to the detriment of core services) and a lower than anticipated cost of agency workers as a result of them terminating their contracts prior to year end due to IR35 regulations. The reduction of agency staff has also been a significant factor in the reduction of the funding gap.
- 17.4 The indicative financial outturn position for Transactional services is £3k underspent. The main reason for this, and the reduction of the funding gap, is proactive vacancy management in advance of the service review and management restructure, and by addressing some non-pay areas such as the roll out of e-payslips; file storage; and the reduction in the schools subsidy.

## **18 Conclusion**

- 18.1 Performance ratings have been maintained across the remaining Shared Services in 2016-17 with all receiving a Green RAG rating. Budget performance has improved across the board from the mid year point and this is reflected in the overall position.
- 18.2 The overall approach to performance management is embedded and as it currently stands is sufficiently robust for the level of shared activity to date. However the return of the ICT and Transactional shared services will require more robust scrutiny going forward. Therefore the overall approach to the

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performance management of shared services will be reviewed to ensure that it continues to provide sufficient reassurance to the Joint Officer Board and Joint Committee about the efficiency and effectiveness of shared arrangements going forward.

### **19 Access to Information**

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

*Officer: Peter Bates, Chief Operating Officer– Cheshire East Council*

*Mark Wynn, Director of Corporate Services – Cheshire West & Chester Council*

*Tel No: 01270 686013 / 01244 977830*

*Email: [Peter.bates@cheshireeast.gov.uk](mailto:Peter.bates@cheshireeast.gov.uk) / [mark.wynn@cheshirewestandchester.gov.uk](mailto:mark.wynn@cheshirewestandchester.gov.uk)*

*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 2N*



## SHARED SERVICE OUTTURN PERFORMANCE REPORT 2016 - 17: SUMMARY

## Appendix 1

This summary of performance considers both qualitative and quantitative performance in terms of the shared services achievements and performance against national and local indicators as outlined in the Business Plans 2016-17. The RAG rating (Red / Amber / Green) is a judgement based on the combined performance of both elements.

SERVICE		SUMMARY OF PERFORMANCE	Overall Rating 2013-14	Overall Rating 2014-15	Outturn Rating 2015-16	Mid Year 2016-17	Outturn Rating 2016-17
A03	Farms Estate	The Service outturn indicates an overall underspend of £47k in respect of the management costs, reflecting a post being held vacant pending a predicted increase in activity on the capital programme. The underspend is currently being used to fund consultancy costs as and when required. Performance in general is in line with the Estates strategies of each Council.	A	G	G	G	G
A04	Emergency Planning	The Service has performed well throughout 2016-17, co-ordinating the response to 19 incidents including 2 Major Incidents and 8 Major Incident Standbys. Although the high number of incidents and large scale events has had an impact on full delivery of the Service's Business Plan, the team has continued to perform strongly in delivering increased preparedness and resilience levels across both Authorities, whilst also ensuring that statutory obligations and income targets have been met. The end of year budget shows an underspend of £2K.	G	G	G	G	G

A06	Archives	The service has continued to attract new users and continues to develop its online services. Access to the collections has been improved through a major rationalisation of storage. Maintaining accredited status for the Archives in November 2017 remains a focus and it is anticipated that the progress now being made on the Archives Relocation will go some way to ensuring that this objective is achieved although there are still considerable risks associated with this project. As a consequence the risk of not achieving new premises for the Archive now features on the Shared Services Strategic Risk register to ensure that it is regularly monitored by the Joint Officer Board. The financial outturn is a £12k underspend as a result of vacancy management.	G	G	G	G	G
A08	Libraries Specialist Support	The Libraries Shared Service financial position is a £112k underspend as a result of increased buyback from schools. Performance has been positive at year end. Activity to maintain income generated by the Education Library Services has been successful, which is reflected in the outturn position.	G	G	G	A	G
A14	Rural Touring Network	The RTA is reporting a balanced financial position at year end, with performance being on target.	G	G	G	G	G
B14	Archaeology Planning Advisory Service	At year end, all Performance Indicators had been met (See Table B14) and the Service had been delivered within budget. An annual report on APAS's activities in 2016-17 has been prepared, which contains detailed information on the work of the Service. This report accompanies the present document. The financial outturn position is a £28k underspend as a result of a vacancy within the service.	G	G	G	G	G

#### RAG Rating

<b>R</b>	Poor Performance - Targets unlikely to be met, significant budget issues
<b>A</b>	Mixed Performance - varying performance against targets, some budget issues to be addressed
<b>G</b>	Performing Well – performance predominantly on target, no major budget issues

**A03**

**Farms Estate Management Outturn Performance 2016-17**

Overall Rating:

**G**

**Service Manager:** David Job

Cheshire Farms shared service was established to provide the management function for the Farms Estates of each authority, a rural property portfolio that provides opportunities for those wishing to take up farming on their own account. This includes the rural based specialism's required for the acquisition, management and disposal of this and other rural property held by each authority. The team comprises two Land Agents and 1.3 FTE support staff, and it is the additional costs associated with replacing or replicating the required skills sets that remain the fundamental reason for the formation and continuation of this shared service. Management of the estates follow individual strategies approved by each authority in late 2011 / early 2012:

- CW&CBC policy is designed to manage the cessation of service provision over an unstated period of years, focussing on disposals activity whilst managing the estate through this exit strategy.
- CEBC policy is designed around a retention model but aims to improve the operational and financial performance of its Estate over a 5 year period concluding in 2017/18. The key features of this Strategy are:
  - A physical restructuring of the Estate to provide a range of farming opportunities suited to the modern needs of the agricultural industry.
  - The realisation of capital receipts and improvement of the long term financial viability through the rationalisation of the Estate.
  - The reinvestment of a proportion of the capital receipts in measures to a) improve the quality and efficiency of the retained Estate and b) finance the costs of disposal.

The service is provided on a pan-Cheshire basis to achieve maximum benefit from efficiencies and economies of scale in using specialist services and expertise. However delays in the implementation of key systems (i.e. document management and GIS) are jeopardising project delivery and consequently this has been identified as a strategic risk.

## Achievements against 2016-17 Delivery Plan

### Cheshire East

1. 8 long term tenancies ended, 4 subsequent completed new lettings (impact on estate structure stats below)

Size Category	40 – 60 acres	60 – 95 acres	95 plus acres	Number Vacant Properties	Total No Properties	Total Area (Acres)
Starting Structure	32	23	15	3	73	5119
Structure 31/03/2016	19	23	16	5	63	5044
Structure 31/03/2017	21	18	16	5	60	5026
Target Structure		10	27	0	37	4996

2. £1.05 million capital receipts from the sale of 2 properties (4 transactions), contributing to the key objectives of service reorganisation, improvement and disposals with an estimated £3.95 million of property identified for disposal in 2017/18 thus far.

### Cheshire West

1. 3 long term tenancy end changes.
2. £2.39 million capital receipts from the sale of part or all of 2 properties (13 transactions), contributing to the key objectives of service reorganisation, improvement and disposals with an estimated £6.6 million of property (up to 19 transactions ) identified for disposal in 2017/18 thus far.

### Business Plan 2016-20

The focus of the Business Plan in 2017-18 will remain on delivery of the Service's key objectives centred on developing the estate structure for CEBC, and bringing forward capital receipts for both authorities.

### Outturn Financial Position 2016-17

Farms	Total £47k (U)	CE £22k (U)	CWAC £25k (U)
The service outturn is an overall position for management costs only. The underspend reflects a post being held vacant, pending a predicted increase in activity on the capital programme.			

## A03 Farms Estate Management Outturn Performance 2016-17

CHESHIRE FARMS SHARED SERVICE - SERVICE MANAGEMENT COSTS ANALYSIS as at 31/03/2017

	CHESHIRE EAST				CHESHIRE WEST			
	Budget	Actual	Forecast	Variance Actual to Budget	Budget	Actual	Forecast	Variance Actual to Budget
Employee Costs (Salary)	£ 99,055	£ 64,269	£ 64,269	£ 34,786	£ 89,047	£ 84,475	£ 84,475	£ 4,572
Other Employee Costs (Training)		£ 270	£ 270	-£ 270	£ -	£ 45	£ 45	-£ 45
Vehicle Allowances	£ 3,000	£ 1,745	£ 1,813	£ 1,255	£ -	£ 2,570	£ 2,570	-£ 2,570
Other Management Costs (Supplies & Services)		£ -		£ -	£ -	£ 1,989	£ 1,989	-£ 1,989
<b>Total Service Management Costs (Employees/Training/Expenses/Supplies &amp; Services)</b>	<b>£ 102,055</b>	<b>£ 66,284</b>	<b>£ 66,352</b>	<b>£ 35,771</b>	<b>£ 89,047</b>	<b>£ 89,079</b>	<b>£ 89,079</b>	<b>-£ 32</b>
	Non Geographically Specific Costs £				TOTAL			
	Budget	Actual	Forecast	Variance Actual to Budget	Budget	Actual	Forecast	Variance Actual to Budget
Employee Costs (Salary)					£ 188,102	£ 148,744	£ 148,744	£ 39,358
Other Employee Costs (Training)					£ -	£ 315	£ 315	-£ 315
Vehicle Allowances					£ 3,000	£ 4,315	£ 4,383	-£ 1,315
Other Management Costs (Supplies & Services)	£ 12,258	£ 1,363	£ 1,356	£ 10,895	£ 12,258	£ 3,352	£ 3,345	£ 8,906
<b>Total Service Management Costs (Employees/Training/Expenses/Supplies &amp; Services)</b>	<b>£ 12,258</b>	<b>£ 1,363</b>	<b>£ 1,356</b>	<b>£ 10,895</b>	<b>£ 203,360</b>	<b>£ 156,726</b>	<b>£ 156,787</b>	<b>£ 46,634</b>
	CEBC	CW&CBC	Total					
No of Properties (as at 1/4/16)	64	44	108					
Division of forecast management costs based upon number of properties.	£ 92,910.81	£ 63,876	£ 156,787					
Indicative Breakdown Of Management Costs By Activity	CEBC		CW&CBC		Total			
Disposals Activity	Forecast	Actual	Forecast	Actual	Forecast	Actual		
Capital Receipts	£ 1,333,388	£ 1,047,875	£ 3,197,494	£ 2,393,228	£ 4,530,882	£ 3,441,103		
Cost Of Disposals Activity (Capital Receipts x 0.50%)	£ 6,667	£ 5,239	£ 15,987	£ 11,966	£ 22,654	£ 17,206		
Interim Managed & Non Farms SFP income								
Interim Managed & Non Farms SFP income	£ 102,011	£ 93,804	£ 26,462	£ 26,462	£ 128,473	£ 120,266		
Cost Of Interim Managed & Non Farms SFP Activity @ 10% of income	£ 10,201	£ 9,380	£ 2,646	£ 2,646	£ 12,847	£ 12,027		
Farms Management Activity								
Cost Of Farms Management Activity (Total Management Costs Less Disposals & Interim / Non Farms Management Costs)	£ 76,043	£ 78,255	£ 45,243	£ 49,239	£ 121,285	£ 127,494		
Cost Of Farms Management Activity Expressed as a % of Total Farms Estate Income	11.55%	11.89%	8.23%	8.96%	10.46%	10.56%		
Total Service Costs								
Total Service Management Costs By Authority	£ 92,911	£ 92,875	£ 63,876	£ 63,851	£ 156,787	£ 156,726		
Total Cost Expressed as % of Total Generated Income (Excluding Capital receipts)	12.22%	14.11%	12.10%	11.08%	13.52%	11.80%		

## A04 Emergency Planning Outturn Performance 2016-17

Overall Rating **G**

**Service Manager** Chris Samuel

The overarching aim of the Shared Emergency Planning Service is to ensure that both Cheshire West and Chester Council, and Cheshire East Council:

- (a) Have the capability to respond effectively and efficiently to any major emergency in support of their communities, and the multi-agency response;
- (b) Perform their statutory duties under the Civil Contingencies Act, COMAH (Control of Major Accident Hazards), REPPiR (Radiation Emergency Preparedness & Public Information Regulations), PSR (Pipeline Safety Regulations), and Flood & Water Management Act legislation, and;
- (c) Participate effectively in the delivery of the multi-agency work and training programme as a member of the Cheshire Resilience Forum.

### Achievements against 2016-17 Delivery Plan

The Service has had a successful year responding to 19 incidents (9 in CE and 10 in CWaC) since April 2016 including 2 Major Incidents and 8 Major Incident Standbys. These have included Storm 'Doris', flooding in both CE and CWaC including Poynton and Ellesmere Port, a dangerous structure in Congleton, and a siege in Chester. The team has also been involved in the CWaC response to Operation 'Fascinate' (industrial action, Ince), the planning for, and management of, Operation 'Punctuate' (Duke of Westminster's Memorial Service) in November 2016, and in CE the planning for, and management of, the Tour of Britain Cycle Race (September 2016). The team has also continued to be involved in the multi-agency Recovery Phase for the Bosley Wood Flour Mill Major Incident, which was stood down on the 30th November 2016. The team, alongside other teams, was (a) commended for its work in responding to several incidents at CE as part of a Motion at Full Council in July 2016, and (b) put forward for a Making a Difference Award in CE in July for its work in the Bossons Mill Major Incident Standby.

The Service has implemented a series of 7 Emergency Management Workshops (5 in CWaC and 2 in CE) with a total of 33 managers attending from both authorities. In addition a series of 6 Emergency Rest Centre Workshops were implemented with 84 attendees from CE, CWAC, the voluntary sector and neighbouring authorities. All events have produced excellent feedback.

Statutory obligations concerning Industrial Hazard Planning have been met involving 17 top-tier COMAH sites, 1 REPPiR facility and over 600kms of Major Accident Hazard Pipeline. As part of ongoing financial planning activities the Service also explored and developed a new industrial charging regime for 2017-18 onwards that will see an increase in cost recovery from £33K pa to £103K pa phased in over a two year period.

### Outturn Financial Position 2016-17

Civil Protection – Emergency Planning	Total £2k (U)	CE £5k (O)	CWAC £7k (U)
The overall position based on the 50:50 split of costs with CWaC would have resulted in both authorities being underspent (CE -£6k and CWaC -£6k). However the Emergency Planning team were also charged with the accommodation costs of £10k which were CE only costs (not shared). This brought the outturn position for CE to £5k overspend. The outturn position for the service overall was a £2k underspend.			

## A04 Emergency Planning Outturn Performance 2016-17

Measure		Responsible Officer	Split	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Mid Year Position	2016-17 Actual	Comments on 2016-17 Performance
EPM1	Overall delegate satisfaction with training events (i.e. very good, good, satisfactory)	Suzanne Pritchard		100%	100%	100%	100%	100%	<p>Implemented a series of 7 Emergency Management Workshops (5 in CWaC and 2 in CE) with a total of 33 managers attending from both authorities.</p> <p>Six Rest Centre workshops have taken place. A total of 47 attendees from CWaC/ CE/ Voluntary Agencies have attended these well received events.</p> <p>The team has also run the following bespoke training events for Services: CE Emergency Duty Team/ CE Comms Team/ CWaC Comms &amp; Marketing Team / Brio Leisure Managers (CWaC)/ IES Team (CWaC). All of these training sessions have received excellent feedback from delegates.</p>
EPM2 and M3	Statutory plans and exercises delivered within agreed timescale	Chris Samuel	Overall	100%	98%↓	100%	100%	100%	<p>All COMAH, REPIR and PSR plans are currently within agreed ONR and HSE timescales.</p> <p>Over the course of 2016-17 the team has undertaken 6 plan revisions including the Off-Site Plans for BAE Systems (Radway Green), EON Holford (Byley), CF Fertilisers (Ince), Thor (Wincham), Innospec and Essar (Ellesmere Port).</p> <p>The team also co-ordinated 6 multi-agency off-site plan exercises: BAE Systems (Radway Green), CF Fertilisers (Ince), Storengy (Byley), Avanti, Essar and Veolia (Ellesmere Port).</p> <p>The REPIR Level 2 Exercise 'Foxglove' at Urenco Capenhurst was also successfully completed on 9<sup>th</sup> March 2017.</p> <p>Finally, a joint Major Accident Hazard Pipelines Workshop took place on the 3<sup>rd</sup> November 2016 with PSR operators and responding agencies.</p>

NEW M4	Four new Community Emergency Plans in place/ development.	Chris Samuel	Overall	-	-	100% i.e. 4 new plans in place	50%	75%	Currently there are 19 Community Emergency Plans in place across CE and CWaC.  Parkgate Community Emergency Plan (CWaC), and Holmes Chapel (CE) have been completed so far this year. The team has also had interest from both Bollington and Congleton Town Councils, and early discussions are taking place with The Groves, Chester. The team also organised a multi-agency exercise on 15th November 2016 to test the Parkgate Plan.
EPM5	Major Incidents/ Major Incident Standbys responded to by Duty Emergency Planning Officer within appropriate timescales.	Chris Samuel	Overall	100%	100%	100%	100%	100%	19 incidents responded to in 2016-17 (see above for more information).
EPM6	Partner agencies overall satisfaction with councils' support of CRF activities and projects	Chris Samuel				80%			Since the Business Plan was produced further discussions have been undertaken with the JEPLB and it has been agreed that collection of this PI will not commence until 2017-18.
EPM 7	Customers' overall satisfaction with service provided by JCEPT	Chris Samuel				80%			Since the Business Plan was produced further discussions have been undertaken with the JEPLB and it has been agreed that collection of this PI will not commence until 2017-18.



## Business Plan 2016-20

The overarching aim of the Shared Emergency Planning Service is to ensure that both Cheshire West and Chester Council, and Cheshire East Council, have the capability to respond effectively and efficiently to any major emergency in support of their communities, and the multi-agency response. The service has 7 staff (3 CWaC and 4 CE), offices in Chester and Sandbach, and staff working on a flexible and mobile basis across both boroughs to meet its objectives. The service will have a budget of £277K pa in 2017-18 of which £63K will be income generated through cost recovery for work performed under COMAH, REPPIR and PSR legislation. The budget for 2017-18 reflects a £30K policy option, and national pay awards.

The challenges and opportunities that will shape future service delivery and inform key objectives are as follows:

- (1) Budgetary constraints;
- (2) COMAH - Seveso III will have an impact on the number and type of top-tier COMAH sites situated in the CE and CWaC areas. Consequently, the service could see its COMAH Top-Tier Sites portfolio increase from its current 17 in coming years with a resultant increase in workload;
- (3) Reservoirs - there is the potential for an increase in the number of High Priority Reservoirs in the two authority areas with a resultant increase in workload, and
- (4) Incidents - Increases in Major Incidents and/ or Standbys may lead to increased activation of Council Major Emergency Response Plans and thus an impact on future work plans.

The focus of the Business Plan in 2017-18 will remain on delivery of the Service's key objectives:

- (1) Continued emergency management training for Senior Managers, staff and Members,
- (2) Continued statutory off-site planning and exercising of industrial hazard plans,
- (3) Continued activities designed to increase general emergency preparedness levels across both authorities,
- (4) Revise Generic and Trentabank/ Ridgeway Reservoir Off-Site Plans, and develop public information campaigns as appropriate,
- (5) Implement recommendations from CEC Bosley Wood Flour Mill Major Incident Structured Debrief Reports,
- (6) Continue implementation of medium to long-term projects, which increase community resilience and emergency preparedness levels,
- (7) Continue participation in and co-ordination of Cheshire Resilience Forum (CRF) projects, planning, training and exercises,
- (8) Develop and apply initiatives to drive continuous improvement in operations to enable clients to achieve their outcomes thereby increasing customer satisfaction and providing value for money.

The Service's Business Plan for 2017-18 links into Outcome (1) of the Cheshire East Council Corporate Plan 2016-20 - ensuring that our local communities are strong and supportive, and into Outcome (D) of the Cheshire West and Chester Council Outcomes Framework - providing the cleanest, safest and most sustainable neighbourhoods in the country.

## A06 - Archives and Local Studies Outturn Performance 2016-17

**Service Manager** - Paul Newman

Overall Rating:



Cheshire Archives and Local Studies (CALS) shared service is part of nation-wide network of statutory archive provision that fulfils the statutory requirement for all Councils under the 1972 Local Government Act to make proper provision for the archives in their care. The service is responsible for:

- Acting as the corporate memory for its parent bodies and their predecessors
- Collecting and providing access to a comprehensive range of original records and archives to reflect the development of the County of Cheshire and its communities
- Maintaining a comprehensive collection of local studies materials and ensuring the supply of appropriate materials to libraries across the County
- Promoting and developing interest in all aspects of the history of the County
- Providing advice and guidance on all aspects of record-keeping and local and family history

The service also provides core archive provision to Halton and Warrington Borough Councils under a single Service Level Agreement (SLA) that has been in place since Local Government re-organisation in 1998.

The Service employs 16.8 FTE staff.

### Achievements against 2016-17 Delivery Plan

In 2016-17 the Service has continued to ensure that the Councils meet their statutory obligations for the archives in their care with the focus for the foreseeable future being on developing proposals to secure funding for service transformation. Funding has been secured to develop an external funding bid, with a bid to Heritage Lottery Fund anticipated late in 2017. This will predominantly focus on securing improved accommodation but will also include initiatives to improve IT provision, improve provision in local libraries and increase outreach activity to showcase collections to communities around the county in an effort to bring these closer to people. As part of beginning the process of planning for a new service, a major project was undertaken in 2016/17 to rationalise offsite storage, which will improve services to users from 2017/18 onwards.

The Service has also agreed a new set of records to be digitised and made available through its online partner, Find My Past. These will become available in the second half of 2017/18.

During the year the Service has developed two new 'remote' volunteering projects. Online portals have been created, extending access to the collections and engaging a wider range of volunteers across both Boroughs.

In the Autumn of 2016, the Service participated in the national Survey of Visitors to British Archives. The results demonstrated that the service's performance in terms of staff support and online facilities for visitors and users of the service is rated very highly and well above the national average.

## Business Plan 2016-20

The focus for the service is to realise the authorities' plans for service transformation: a major grant application will be submitted to the Heritage Lottery Fund in 2017/18, which, if successful, will see the development of two new history centres in Chester and Crewe, coupled with new engagement programmes to reach a larger and wider audience across both Boroughs and to extend the range of collections made accessible by the service.

Alongside this, the focus for the service will be

- a) Developing digital services to reach more people and to make it easier for people to access the archive collections
- b) Reaching more and a wider range of people through new public activities onsite and around the county, through its use of information technology, and through new opportunities to showcase the collection.
- c) Continuing to develop opportunities and services which bring income to the service to support its development
- d) Working with regional partners to develop provision for the preservation of digital archives, both from the four councils it provides services to and from local organisations. This requires additional funding and in the first instance development costs will be sought through external grants.

## Outturn Financial Position 2016-17

Archives	Total £12 (U)	CE £4 (U)	CWAC £8 (U)
The underspend is due to vacancy management within the service.			

## A06 - Archives and Local Studies Outturn Performance 2016-17

Measure		Responsible Officer	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Mid Year Position	2016-17 Actual	Comments on 2016-17 Performance
ALS-001	Overall customer satisfaction rating (out of 10 since 2014/15 for onsite visitors)	Paul Newman	9.3/10 (onsite visitors)	98% (remote visitors)	9.5/10 (onsite visitors)		9.5/10	
ALS-002	Net expenditure per '000 population in CIPFA Archive service statistics (b)	Paul Newman	Lowest quartile	Lowest quartile	Lowest quartile	Lowest quartile	Lowest quartile	
ALS-003	SLA with Halton and Warrington Borough Councils	Paul Newman	Maintained	Maintained	Maintained	Maintained	Maintained	
ALS - 004	Increase in use of online resources as measured in website visits	Paul Newman	1,434,139	1,328,651	1,450,000	581,083	1,570,130	Significant increase in part due to changes in method for recording online use by commercial partner
ALS-005	Archives Accreditation Scheme - achieve accredited status (Replaces ALS 001 and 002)	Paul Newman	Application in progress	Accreditation achieved	N/A	N/A	N/A	Accreditation 'health check' due November 2017. Fuller review 2018.
ALS-006	Percentage of new accessions of archives made available to customers within one month/3 months of receipt	Lisa Greenhalgh	83%/99%	83%/97%	80%/95%	63%/76%	82%/88%	Rationalisation of storage during year temporarily reduced capacity to process new collections to make them accessible.
NEW ALS-007	Percentage of visitors to Record Office who are new to the service	Adam Shaw	24%	26%	25%	29%	26%	
NEW ALS-008	Percentage of attendees at events who are new to the service	Adam Shaw	-	57%	45%	69%	55%	

## A08 Libraries Shared Service and Education Library Service Outturn Performance 2016-17

Overall Rating:

G

**Service Manager** Rachel Foster

Libraries Shared Services provides support and specialist services to Cheshire East and Cheshire West and Chester libraries and their customers. Education Library Service provides resources and expertise to support the curriculum needs of schools and pupils, which subscribe to the Education Library Service (ELS).

The aim of both is to provide a cost-effective and efficient service for the clients and drive and support innovations in Library services.

There are a total of 34.08 FTE members of staff and a budget of £728,832 with two premises at Hartford Way, Chester and ELS at Browning Way, Winsford, two delivery vans at Hartford Way and one mobile and two delivery vans at ELS.

### Achievements against 2016-17 Delivery Plan

Key to this planning period has been ensuring that the service level agreement with Cheshire East Library Services is renewed in March 2017. The specification has been agreed, we are awaiting a formal contract which will be issued as soon as possible.

A key success has been the effective procurement and implementation of efficient stock contracts to supply Public Libraries and Education Library Service in a challenging book supply market.

Library Shared Services has also undertaken a staffing structure review. The structure has been realigned to better reflect business processes following the transition to a web based library management system.

Whilst there has been some improvement in stabilising subscriptions to the Education Library Service efforts continue to maintain usage. The service will continue to be actively marketed to non-buyers within the current geographic area and beyond with a view to increasing and stabilising subscriptions which in turn will enable more effective management of the service going forward.

A successful procurement exercise has resulted in the provision of a new eResource, eMagazines for Cheshire East and Cheshire West library Services.

### Business Plan 2016-20

Library Shared Services continues to support activity to improve front end Library Services that meet the needs of clients and customers. This includes exploring opportunities to enhance the Library Management System to ensure that it remains a fit for purpose and effective system and supporting both Councils in developing their digital strategies for their library services. The Service will continue to provide core services and specialist knowledge relating to ICT, publishing, stock procurement, distribution and supplier selection and will ensure that contracts continue to meet the needs of users and support the priorities for both services.

We are working with colleagues in Children, Families and Young Peoples services to secure ongoing commitment to Booktrust initiatives to improve literacy levels in targeted areas, especially two year olds and cared for children to address early language development and improve literacy levels.

Education Library Services is reviewing potential impact of changes to education funding and targeting a consolidated offer to Halton, new opportunities in Liverpool and with young offenders institutions.

**Outturn Budget Position 2016-17**

Libraries Shared Service	Total £112 (U)	CE £-	CWAC £112 (U)
Cheshire East pay a fixed contribution for this service. The underspend is as a result of increased buyback from schools.			

### A08 Libraries Shared Service Outturn Performance 2016-17

Measure		Responsible Officer	Split	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Mid-Year	2016-17 Actual	Comments on 2016-17 Performance
<b>LSS 001</b>	Linked to delivery of Early Years Foundation Stage – gifting of Bookstart packs as a percentage of the target group	Frances Lennon/ Anne Sherman	Overall	96.85%  15,111 packs gifted	92%  14,355 packs delivered	Exceed 2015-16 actual	59% 9060 packs delivered	95% 14,527 packs delivered	Mid- year - CE percentage is higher mid-year due to the delivery schedule of early year's settings.  Year end - 2015/16 Actual exceeded by 3%.
			CE	96.1%	86.4%		76%	96%	
			CWAC	97.6%	98.2%		42%	94%	
<b>LSS 003</b>	ELS Growth of client base	Rachel Foster	Overall	0.7% increase in income  £858,584 from schools	1.5% increase in income  £871,723 from schools	1.0%	1.5%	Maintained  £870,760 from schools	Mid-year - Currently projecting 1.5% increase in income. Final buy back and income won't be confirmed until end of 2016 due to differences in school financial years.  Year end - ELS gained 2 new Cheshire secondary schools and Styal prison. Also gained 2 Liverpool primary schools, extending business into a 7 <sup>th</sup> authority. Warrington business held. Successfully moved Halton school business over to full package. Halton income up overall.
<b>LSS 004</b>	Delivery of new stock – time from new stock arriving from supplier to being despatched to libraries	Lexa Farthing	Overall	3 days	3 days	3 days	4.5	3 days	Mid-year - Represents usual high peak of stock coming in over summer months, expected to adjust down over full year.  Year end - Varies significantly over year reflecting trends in spending.
<b>LSS 005</b>	Stock orders from libraries submitted to supplier	Lexa Farthing	Overall	3 days	1.5 days	1.5 days	1.5	1.2	New LMS and ways of working have reduced this significantly.

<b>LSS 006</b>	Interlending response times – item request placed and response sent to library	Lexa Farthing	Overall	76.64% in 5 days 47.19% within 3 days. 29.45% 4 to 5 days. 23.35% over 5 days.	80% within 5 days 56% within 3 days 24% within 4-5 days 25% over 5 days	Exceed 2015-16 performance	71.37% within 5 days 48.99% within 3 days 22.38% within 4-5 days 28.63% over 5 days	70.3% within 5 days 47.4% within 3 days 22.9% within 4-5 days 29.7% over 5 days	Restructure put in place in August 2016 will assist with response times.
<b>LSS 007</b>	Local ENQUIRE service – number of questions answered	Rachel Foster	Overall	3489 questions answered	3.5% increase 3611 questions answered	Exceed 2015-16 performance	1807	3459	Mid-year - On target to exceed 15/16 figures.  Year end - Significant- technical issues affected the service in the autumn. In 2015 we also released a new LMS which has unbalanced the trend.
<b>M1</b>	<b>Libraries New Stock Contract:</b> Procurement process completed and contract in place.	Lexa Farthing				Supplier selected and new contracts agreed.		Suppliers now in place	Mid-year - Project meetings in progress, existing specification reviewed and procurement advice in progress for project completion by end of year.  Year end - Contracts awarded for 2017-20 and suppliers in place.
	Implementation date and process agreed and staff trained.					Implementation completed.		Implementation and training completed.	
<b>M2</b>	<b>ELS New Stock Contract:</b> Procurement process completed and contract in place.	Rachel Foster				Supplier selected and new contracts agreed.		Supplier selected and contract agreed.	Mid-year - Project meetings in progress, existing specification reviewed and procurement advice in progress for project completion by end of year.  Year end - Contracts awarded for 2017-20 and suppliers in place.
	Implementation date and process agreed and staff trained.					Implementation completed.		Implementation completed	



<b>M7</b>	Number of titles available to the public, number of individual customers, number of loans per title	Lexa Farthing				Baseline data		3668 borrowers registered. 4234 items available. Av. 8 issues per title. 35,767 issues.	Will review at Shared meeting to consider target setting for 17/18.
<b>M9</b>	E-audio supplier reviewed and re-procured as necessary.	Lexa Farthing				Contract in place Sept 16	Contract for 16-17 in place		Will be reviewed again 2017-18
<b>M11</b>	ELS Provision - Mobile specification detailed, procured and implemented	Rachel Foster				Procurement completed and implementation schedule finalised.			Mid-year - Budget allocated to Capital from 15/16. Initial discussion with transport, staff workshops now underway to define specification.  Year end — Budget matched by Transport. Review of market undertaken and specification in draft pending review with transport. Procurement to begin in June 2017.
<b>M13</b>	ELS - Maintain subscription levels	Rachel Foster				Minimum to maintain current subscription levels		316 schools subscribed	Mid-year - Secondary maintained with 2 potential new schools pending. Primary overall projected to balance, some variation in buyback from Halton with new offer.  Year end – reduction of 10 schools from 15/16. Reflected some shared buy back from partner schools and changes to offer in Halton. Minimum impact on income.
<b>M15</b>	To encourage all Children's Centres to subscribe to Bookstart Corner annually	Frances Lennon/ Anne Sherman				Support and engage with Children's Centres and Early years settings in CWAC (15)	CE 9 (69%)  CWAC 13 (87%)  Mid-year figures	CE 11 (85%)  CWAC 14 (93%)  Overall	Mid-year - 2015/16 figures if needed CE – 6 (38%) CWAC – 14 (78%) Overall – 59%  Year end - CE Early years settings reduced to 12

						and CE (13)	overall 79%	89%	by end of year – adjusted figure for subscription 91% 1 CWAC venue manager ordered for 2 venues – adjusted figure for subscriptions 100% Adjusted overall figures – 96%
<b>M16</b>	Send 6 Letterbox packs to targeted children between ages of 5-13	Frances Lennon Anne Sherman				88 children in CWAC and 26 in CE	5 packs sent to 114 children	6 packs sent to 114 children	798 packs sent out, including bonus festive parcel in December. 156 children are signed up for Letterbox 2017/18 – 37% increase on 2016/17.
<b>M17</b>	Baseline numbers of Homestart resources to set target	Frances Lennon/ Anne Sherman				Baseline Year	45 packs	17 packs allocated in CEC/ 1 in CWAC.	Some reduction in project delivery due to staff changes in the second half of the year.
<b>M18</b>	Baseline numbers of Dual Language resources to set target	Frances Lennon/ Anne Sherman				Baseline Year	CE 122 (76%)  CWAC 89 (55%)  Mid-year figures overall 65%	CE 177 (111%)  CWAC 229 (143%)  Overall 127%	Allocation of dual language books is changed each year; current 2016/17 allocation is 160 per authority.  Additional stock acquired in the second half of the year due to high demand.
<b>M19</b>	To increase number of children enrolled in Bookstart Bear Club	Frances Lennon/ Anne Sherman			Baseline CE – 681 enrolled CWAC – 703 enrolled	2% increase	CE – 474 CWAC – 341	CE - 849 (24.6% increase) CWAC – 749 (6.5% increase)	Exceeded targets in both authorities.

## A14 Rural Touring Arts Network Outturn Performance 2016-17

Overall Rating:

G

The purpose of Cheshire's Rural Touring Arts Service (CRTA) is to provide a programme of high quality professional arts activities and events for rural areas in Cheshire in partnership with the communities of the villages involved.

CRTA is run by 1.5 posts, 2 part time scheme managers and a part time administrator. The CRTA is funded by the 2 local authorities and Arts Council England (ACE) as a National Portfolio Organisation (CRTA are a joint NPO organisation with Spot On Rural Touring Scheme in Lancashire).. The CRTA are hosted by CWAC and sits within the Arts and Festivals team in West and within the Arts, Heritage and Cultural Services on the East and contributes to the ongoing service plans of both teams through:

- Enhancing quality of life in rural areas by the provision of professional arts experience
- Boosting the rural economy by encouraging visitors to take advantage of visiting local pubs/restaurants in the vicinity of Arts events
- Encouraging volunteering and empowering “cultural community champions” in rural localities
- Animating local buildings as arts venues

### Achievements against 2016-17 Delivery Plan

CRTA have delivered two seasons of work this year, reaching over 4,000 audience members. Our number of venues and volunteers continues to remain strong and dynamic. The CRTA have build on partnerships with other arts and community organisations in finding and developing artists and organisations to bring their work to Cheshire.

We have invested in our volunteer training this year, offering training opportunities in fundraising and also offering a number of opportunities for our volunteers to increase their own skills through attending conferences and festivals.

The CRTA continues its work with libraries though the 2<sup>nd</sup> year of a 3 year project , in supporting libraries and librarians to host professional arts events in their spaces.

The CRTA have been reduced in staff numbers this year due to maternity leave. The CRTA have been supported through the Cheshire West arts team, to help ensure that the delivery of work has continued during this time.

### Business Plan 2016-2020

CRTA aim to deliver a vibrant Rural Arts Programme that supports new and emerging artists into the rural touring sector delivered across CE and CWaC's rural communities and to improve digital promotion of events through social media and online ticketing to increase audience numbers and improve customer satisfaction. CRTA review and update a working business plan every 6 months with our partner organisation Spot On, Lancashire, to ensure the targets of the scheme are current and being met. The plan was last updated in Jan 17. The CRTA also review and update a working environmental plan and equality and diversity plan very 6 months. Copies of these plans are available.

## Outturn Budget Position 2016-17

Rural Touring Arts	Total Balanced	CE £-	CWAC £-
Cheshire East pay a fixed contribution for this Service. The Service is reporting a balanced year end position.			

## A14 Rural Touring Arts Network Outturn Performance 2016-17

Measure		Responsible Officer	2014-15 Actual	2015-16 Mid-year*	2016-17 Target	2016-17 Mid-Year	2016-17 Actual	Comments on 2016-17 Performance
RTA 1	Maintain quarterly meetings with Client Managers	Jen Henry/ Anne Crabtree	4	2	4	2	4	
RTA 2	Maintain quarterly meetings with Cheshire Lancashire Partnership	Jen Henry/ Anne Crabtree	4	2	2	1	2	Meetings for 16/17 have taken place and future meetings planned in . There is a change in the contact officer we have in Lancashire Council due structural changes within the council. Our new contact officer will be known in May 17
RTA 3	% of audience rating performance as good or excellent	Jen Henry/ Anne Crabtree	97%	9% 98% (spring 15 figures only Final figures for 15/16)	93% is maintained and interviews take place aim for 10% (depending on capacity to interview audiences)?	On target	97%	We are pleased that we continue to reach our targets on these as it provides us with evidence that we are delivering the correct work to our audiences and that the relationship between the public and the CRTA and its volunteers is strong.
RTA 4	Number of youth venues identified and supported	Jen Henry/ Anne Crabtree	2	2		2	2	
RTA 5	Number of venues maintained	Jen Henry/ Anne Crabtree	27	27	24	27	27	

RTA 6	Number of Promoter meetings held p.a.	Jen Henry/ Anne Crabtree	5	3	6	3	5	
RTA 7	Liaison with PANDA maintained	Jen Henry/ Anne Crabtree	Pitching event took place. 2 companies booked onto scheme and 3 companies mentored	1 artist programmed in spring 15. 2 artists programmed for autumn 15 menu	Event takes place Min of 3 companies mentored and commission is toured	Expression of interest sent - first stage funding bid with PANDA	The new bid is being developed between PANDA and CRTA and 3 other rural touring schemes for Arts council to be submitted mid 2017	Funding issues for PANDA – so new bid being developed with number of rural touring schemes and PANDA to support wider and more systematic development of theatre/performance companies in NW
RTA 8	Increase Facebook and Twitter activity and usage to promote events	Jen Henry /Anne Crabtree	304 Facebook friends 293 twitter followers	Social media/marketing training session planned for Jan 16	Increase digital content on website and other media by 5%	369 Facebook likes and 951 Twitter followers at end September	393 Facebook likes and 1054 Twitter followers as of March 17	Through our partners at Spot On Lancashire, we have engaged the services of Jack Bond for social media support. This has enabled us to grow our online presence and see a notable increase in social media activity.
RTA 10	Audience Feedback collated to inform future programmes	Jen Henry /Anne Crabtree	90% events surveyed	90% of events in spring 15 surveyed	90% of events surveyed	90% of events for Spring 2016	90% of events surveyed	Our surveying continues at 90% of events. We are also exploring other ways of surveying (using ipads at events etc)
RTA 11	Annual Report issued	Jen Henry /Anne Crabtree	Achieved	Annual report for 14/15 sent to arts council in May 15. Next report due in May 16	Annual report for 15/16 sent to arts council	Report sent May 2016	Next annual report is expected in May 17	

*\*NB. Outturn performance data for 2015-16 was not collected due to staffing constraints on the RTA at that time*

## B14- Archaeology Planning Advisory Service Outturn Performance 2016-17

Overall Rating at Outturn:

G

Service Manager: Ian Hesketh

The Archaeology Planning Advisory Service (APAS) is a sub-regional service that provides advice on the archaeological implications of development for Cheshire West and Chester (CWAC) Cheshire East (CE), Warrington and Halton Borough Councils. The service operates as a shared service between CWAC and CE, and provides services to Halton and Warrington via service level agreements. The service is hosted by CWAC and consists of 4.33 FTE employees.

The scope of APAS includes:

- Developing and maintaining the Cheshire Historic Environment Record (CHER)
- Advising on policies, strategy and guidance relating to archaeological resources and historic landscape
- Advising on the archaeological implications of development in line with national guidance
- Advising on the application and interpretation of archaeological legislation to ensure compliance with statutory requirements
- Advising on land use changes and development and regeneration initiatives
- Advising on the management of archaeological sites
- Promotion, education and outreach activity to enhance community engagement

### Business Plan 2016-20

The annual nature of service agreements reduces the planning timeframe for this Shared Service. Priorities from APAS in the coming year include maintaining provision of core services whilst continuing to review the potential for a more resilient delivery model going forward.

### Outturn Budget Position 2016-17

Archaeological Planning and Advisory Services	Total £28k (U)	CE £-	CWAC £28k (U)
Cheshire East pay a fixed contribution this Service. The underspend is as a result of a vacancy within the service.			

## B14- Archaeology Planning Advisory Service Outturn Performance 2016-17

Measure		Responsible Officer	2014-15 Actual	2015-16 Actual	2016-17 Target	2016-17 Mid-Year	2016-17 Actual	Comments on 2016-17 Performance
ARC H001	% of number of records reviewed in the Cheshire Historic Environment Record per annum	Ian Hesketh	8%	11%	5%	4%	10%	This target was met despite the transfer of HER staff resources to cover Development Management duties between May and October 2016 (see below).
ARC H002	% of general enquiries to the Cheshire Historic Environment Record responded to within 15 working days	Ian Hesketh	99%	98.8%	90%	99%	99%	A total of 194 search requests were dealt with by the HER in 2016-17
ARC H003	% of Countryside Stewardship enquiries to the Cheshire Historic Environment Record responded to within 20 working days, according to agreed national service standard	Ian Hesketh	100%	100%	100%	100%	100%	A total of 140 Countryside Stewardship consultation was dealt with by the HER in 2016-17
ARC H004	% of archaeological development control advice provided within 21 working days.	Ian Hesketh	99.5%	99.7%	100%	100%	100%	This target was met by utilising staff time from the HER to cover the vacant post of second Development Management Archaeologist between the end of May and the beginning of October 2016

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								EAST COST SHARE + VARIANCE					WEST COST SHARE + VARIANCE						
Shared Service	Host	Outturn 2016-17 to 31 March 2017			Total Budget 2016-17	Total Variance	U / O	East	Net Cost	Budget	Variance	U / O	East - Outturn explanation	West	Net Cost	Budget	Variance	U / O	West - Outturn explanation
		EAST	WEST	Total net cost															
		Outturn	Outturn					Share of net cost						Share of net cost					
		£	£	£	£	£		£	%	£	£			£	%	£	£		
Shared Services - April to March																			
Civil Protection (Emergency Planning)	CWAC	155,815	145,185	301,000	302,814	-1,814	U	155,815	50%	150,955	4,860	O	The outturn position on the 50:50 split of costs with CE was a small underspend due to overachievement of income and pay underspend. However the Cheshire East accommodation costs of £10k have been charged directly to the service resulting in the CE forecast outturn of £5k overspend.	145,185	50%	151,859	-6,674	-	The outturn position on the 50:50 split of costs with CE was a small underspend due to overachievement of income and pay underspend.
Occupational Health (until end of August)	CWAC	18,449	18,449	36,898	47,755	-10,857	U	18,449	50%	24,859	-6,410	U	Staff vacancies and a reduction in costs in the run up to the end of the Shared service. Shared service arrangement ended at end of August.	18,449	50%	22,896	-4,447	U	Staff vacancies and a reduction in costs in the run up to the end of the Shared service. Shared service arrangement ended at end of August.
Archives	CWAC	206,180	205,768	411,948	423,507	-11,560	U	206,180		210,000	-3,821	U	Small underspend due to vacancy management	205,768		213,507	-7,739	-	Small underspend due to vacancy management
Farms Estate - management costs only	CE	92,875	63,851	156,726	203,360	-46,634	U	92,875		114,313	-21,438	U	The final outturn shows an underspend position which is due to a staff vacancy, pending predicted increased activity on capital programme.	63,851		89,047	-25,196.00	U	The final outturn shows an underspend position which is due to a staff vacancy, pending predicted increased activity on capital programme.
Joint arrangement services																			
Libraries	CWAC	339,996	294,225	634,221	746,331	-112,110	U	339,996		339,996	0	-	East pay a fixed contribution to West and do not incur any additional costs	294,225	-	406,335	-112,110	-	West underspend position due to increased buyback from schools for Education Library Service plus in year vacancy savings due to delays in filling posts
Rural Touring Network	CWAC	12,480	12,480	24,960	24,960	0	U	12,480		12,480	0	-	Final position is on budget as expected	12,480	-	12,480	0.00	-	Final position is on budget as expected
Archaeology Planning and Advisory	CWAC	87,263	44,557	131,820	159,821	-28,001	U	87,263		87,263	0	-	East pay a fixed contribution to West and do not incur any additional costs	44,557	-	72,558	-28,001	-	West underspend is mainly due to vacancy management and delays in filling posts
TOTAL		913,058	784,515	1,697,573	1,908,548	-210,976		913,058		939,866	-26,809			784,515		968,682	-184,167		

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## **CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL**

### **REPORT TO: SHARED SERVICE JOINT COMMITTEE**

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**Date of Meeting:** 19 May 2017

**Report of:** Mark Wynn – Director of Finance (West)

**Subject/Title:** Transactional Service Centre – Progress Report

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#### **1.0 Report Summary**

- 1.1 This report provides a brief update regarding the development of the Transactional Service Centre (TSC) following the decision of the Committee on 24 March 2017 to support a new Shared Services Agreement for the delivery and transformation of HR and Finance services to 31 March 2019, aligned to the timescales for the procurement and implementation of the replacement ERP system.

#### **2.0 Decisions Requested**

Members are asked to:

- 2.1 Note and endorse the progress made by the service in delivering its key objectives.

#### **3.0 Reasons for Recommendations**

- 3.1 To enable the continued monitoring of transformation and service delivery in line with the service's proposed Vision, Goals and Objectives as outlined in the services Strategic Business Plan that forms part of the new Shared Services Agreement to 31 March 2019.

#### **4.0 Report Background**

- 4.1 At the 24 March meeting of this Committee, Members were asked to approve a report that set out the basis for the establishment of a new shared services agreement for transactional HR and Finance services, hosted by Cheshire West and Chester Council. In approving such an agreement, Members took account of the progress made under the original shared agreement (1 April 2016) and key contractual documentation that included a strategic business plan; service catalogue and payment mechanism and exit strategy.

## 5.0 Financial Performance 2016/17

RAG Rating: GREEN 

- 5.1 On 1 April 2016, the Council inherited an approximate £0.5m funding gap from CoSocius Ltd in relation to HR & Finance Services. The outturn position for 2016/17 shows a small underspend of £3k which represents a significant performance achievement for the service. This performance has largely been achieved through vacancy management and by addressing some non-pay areas such as the roll out of e-payslips; file storage; and the reduction in the schools subsidy.

## 6.0 Business Continuity and delivery against Service Definitions

- 6.1 Business Continuity remains a key priority for the service and since the transfer of services back into the Council service delivery has remained consistent, despite significant staff turnover, with no discernible impact on customers. Key performance indicators related to the accuracy of pay and the timeliness of payments to suppliers both exceeded targets.

Monthly contractual performance reporting, with East and West client oversight, has been reviewed as part of the preparation of the business plan, with key performance indicators identified as part of the revised performance management framework.

The TSC transition board, with Cheshire East client representation, established to oversee the delivery of the Business Plan and transformation project will continue to meet and provide governance and oversight of the delivery of the key outcomes.

## 7.0 Development of a New Target Operating Model

- 7.1 The TOM is defined as an overarching approach to the delivery of the TSC that will encompass the strategic business plan, the service catalogue and payment mechanism (pay mech), the structure (the initial management restructure with a clear project plan and timescales for the wider service restructure), and transformation plan under the governance of the Transition Board.

The Management Restructure has now been completed. The TSC Manager – Assessment and the Quality Assurance & Service Delivery Manager were confirmed in post from 1 March 2017. The TSC Manager – Recruitment & Pay commenced their role on Tuesday 2 May. The Finance, Billing & Debt role has been offered and verbally accepted and will commence their role at the end of June.

## **8.0 Development of a Strategic Business Plan to 2019**

- 8.1 The Strategic Business Plan, agreed as part of the new shared services agreement, sets out the clear direction of the service for the transformation phase. The Plan outlines core vision, goals and objectives; a non-financial Performance Management Framework (PMF); overall and operational governance; risks and opportunities; Financial Information and a high-level Exit strategy.

The four core goals remain:

- Financial Stability
- Efficient, Effective services
- Customers and Residents First
- Cultural Development

The TSC Transition Board continues to provide overall governance for the delivery of the plan and associated transformation activity.

- 8.2 There remain key interdependencies that will influence and shape the strategic direction of the Transactional Service Centre, not least the HR and Finance System (ERP) Replacement, for which the service is currently supporting the wider procurement process, and flexible, mobile working and accommodation review. Discussions are in hand across the different programmes to ensure that the direction and goals are aligned and that there are opportunities to influence the delivery of the TSC goals as part of this process. One important and critical linkage is between the HR & Finance Programme, the ICT Shared Service activities and the TSC. This will be key to establishing a coherent deliverable strategy and approach for the TSC in the medium to longer term.

## **9.0 Demand Management & The Lines of Business Review**

- 9.1 A key objective of the service is to develop an 'efficient, effective service' by ensuring that activity caused by failure, avoidable or preventable demand is not inhibiting the delivery of the service and/or the experience of its customers. To address this, the service has developed a 'Demand Management' Strategy that seeks to eliminate or significantly reduce unnecessary demands on the service by shifting that demand to more modern, efficient methods – reducing the administrative burden for both customers and the service itself.
- 9.2 Linked to the demand management strategy, the development of the wider service, its resourcing and future structures is being supported by the Public Sector Reform team (PSR) West through detailed activity analysis, process and procedural review, resource inputs and cost evaluation. The outputs of this work, expected later this month, will inform both interim and future, post-ERP implementation, structures and enable the service to meet short and longer term efficiency expectations.

## 10.0 Summary Next Steps

Table below summarises key actions and key milestones over the next few months:

Action	Milestone Date
Recruitment to the TSC Management Team	Complete
Lines of Business External Review (PSR – West)	May 2017
Wider service restructure consultation	On or before 31 July 2017
On-going approach to service development and reduction of unnecessary demands placed on both the service and those transacting with it	On-going

## 11.0 Access to Information

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

Ian Kirby Corporate Manager (Transactional Finance)  
Cheshire West and Chester Council

Telephone 01244 976959

Email [ian.kirby@cheshirewestandchester.gov.uk](mailto:ian.kirby@cheshirewestandchester.gov.uk)

Background Documents Cheshire West & Chester Democratic Services  
HQ Building,  
Nicholas Street,  
Chester,  
CH1 2NP

## CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

### SHARED SERVICES JOINT COMMITTEE

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**Date of Meeting:** 19 May 2017

**Report of:** Peter Bates – Chief Operating Officer (Cheshire East)

**Subject/Title:** ICT Shared Service – Transformation Phase

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#### Report Summary

1.1 The purpose of this report is to provide a progress update in relation to ICT Shared Services, focussing on the Transformation Phase of the service as agreed by the Committee on 24 March 2017.

1.2 This report provides the information that the shared service is required to provide to the Shared Services Joint Committee and/or Joint Officer Board under the Shared Services Agreement.

#### 2.0 Decisions Requested

Members are asked to:

2.1 Note the contents of the report

#### 3.0 Reasons for Recommendations

3.1 ICT has been a challenging area for both Councils and has undergone multiple reviews and transitions over the last 5 years. Both Councils wish to ensure that ICT is aligned to their strategic directions and is supported to deliver leading edge, value for money ICT in the future.

3.2 In November 2016, Cheshire East ICT Services commissioned Microsoft and Hewlett Packard Enterprises to examine the benefits, total economic impact and potential return on investment both Councils may realise by deploying Office 365 (consisting of Cloud deployments of Exchange Online, Lync Online, Sharepoint Online and Office Professional Plus) and the transfer of legacy data centre hardware to a cloud platform. A detailed business case was then produced in January 2017 which brings together Transformational activity to realise benefits for the councils alongside critical essential replacement activity to address compliance and operational stability issues.

3.3 The Councils have commissioned Ernst & Young LLP to conduct an independent review to provide assurance and to determine the optimum alignment and IT delivery model.

- 3.4 This report seeks to bring together the reporting of key initiatives that are underway in relation to the delivery and commissioning of ICT Services to report regular progress against strategic outcomes, key risks and issues together with key decisions that are required in the next 24 months.

#### 4.0 Background

- 4.1 At the 24 March 2017 meeting of this Committee, Members were asked to approve a closure of the transition phase and concluded that the objectives of the phase had been delivered to an acceptable standard. The Transition phase objectives were:

- Closure of the inherited 2015/16 funding gap
- Business continuity, with minimal impact on customers
- Development and implementation of a new Target Operating Model (TOM)
- The development of a strategic business plan
- Development and implementation of a new commissioning model

- 4.2 At the same meeting the Committee agreed that the ICT service move into a Transformation Phase until 31 March 2019. ICT Services will report progress and risks to this Committee in the following key areas:

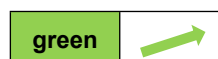
- **the Cost Model:** to ensure a balanced budget position
- **the ICT Services Transformation Phase & outline 5 year Infrastructure Investment Programme:** its expected outcomes and progress against key milestones. Given the significance of this proposed programme, the risks it will mitigate and the major change it will deliver, a joint governance board will be established in May 2017 to manage and assure the planning through to delivery phases.
- **Independent review of ICT:** the outcomes of the independent joint review of ICT strategic commissioning and delivery Operating models and councils future requirements.
- **the ICT Service Portfolio:** the future service portfolio is dependent upon the delivery of the transformation and Infrastructure Investment business case which is in turn reliant on commitment to investment and business side change.
- **Contractual Checkpoints:** progress updates against any key checkpoints written into the contract for services from 1<sup>st</sup> April 2017.

- 4.3 The ICT Shared Services' current status, for each of the key areas is outlined below. A RAG (Red – 'will not achieve', Amber – 'at risk of not achieving', Green – 'will achieve') rating has been applied to each in order to indicate progress, together with a 'direction of travel' indicator of progress since the last update.



## 5 Robust Cost Model – Maintaining a balanced budget

RAG Rating / Direction of Travel indicator



- 5.1 The inherited funding gap of £4.275m was robustly managed by the ICT Shared Service Senior Management Team (SMT) during the financial year 2016/17.
- 5.2 The challenge of the inherited funding gap was exceeded and the final position netted an underspend of £358k which has been transferred back to both councils on a 50/50 basis.

The main reason for the underspend in ICT Service Delivery is due a one off Vodafone refund of £470k due to overcharging in previous financial years. A large proportion of this refund has been utilised to fund the dual running costs of PSN rather than making a request on reserves. The balance of underspend is made up of additional project hours being delivered which has been to the detriment of core services performance and a lower than anticipated cost of agency workers due to them terminating their contracts prior to year-end due to IR35 regulations.

The table below provides the final outturn position for 2016/17:

	<b>Budget £000</b>	<b>Actual Year End £000</b>	<b>Variance £000</b>
Staffing	11,323	11,106	-216
Non Staffing	5,766	9,253	3,487
GROSS	17,089	20,359	3,270
Income	-17,013	-20,641	-3,628
NET	76	-281	-358

- 5.3 Based on the 2016-17 outturn position, and current information regarding current staffing establishment costs (including the apprenticeship levy) and planned third-party expenditure, the service is confident that a balanced position will be delivered in 2017-18. ICT Services will continue to robustly monitor and report on the financial position of the service, particularly in light of the significant landscape of business and technology change that is planned over the next 2 years. The service fully understands the necessity and importance of practicing strong financial controls and this will be at the heart of the Transformation Programme and the Infrastructure Investment Programme. The next finance update to the Joint Committee will be the Mid-Year report around November 2017. In the event of any financial issues arising in the interim these will be reported at the earliest opportunity.
- 5.4 Section 11 provides further detail of the funding of the Infrastructure Investment Programme.

## 6 ICT Services outline 5 year Infrastructure Investment Programme / emerging Transformation Programme

RAG Rating / Direction of Travel indicator



- 6.1 The Infrastructure Investment Programme recommends the strategic engagement of Cloud migration partner/s to support ICT Services in the implementation of an aspirational and transformational hybrid (80% cloud and 20% in house) solution which will enable the following objectives:
- Deliver significant financial benefits for both Councils service areas and ICT Services; and is future proofed to meet the needs of both Councils.
  - Supports the ambition to facilitate Council staff to work in an agile and flexible way and enable services to be delivered from anywhere on any device and promoting the use of online tools.
  - Improve data capture and quality features, which will not only provide more accurate operational information, but will also, support efforts to predict service demand patterns and trends more accurately.
  - Support staff cost avoidance, achieved through a combination of implementing a new core IT platform and business process improvements.
  - Be scalable to ensure that any growth or decrease in demand can be serviced.
  - Ensure that both Councils only pay for the service they consume.
  - Enable existing ICT restrictions and inflexibility to be removed to provide opportunities for partnership working and collaboration.
- 6.2 The detailed business case to support the full 5-year ICT Infrastructure Investment Programme has been reviewed through Council corporate governance procedures: Joint Officer Board (9<sup>th</sup> February), CEC Technical Enablers Group (1st March), CEC Executive Monitoring Board (21st March) and CEC Cabinet process (11th April – 9<sup>th</sup> May). Cheshire West and Chester are seeking financial approval through appropriate internal governance.
- 6.3 ICT Services through Cheshire East cabinet process have approved procurement of Microsoft Cloud migration partner services up to a potential estimated total cost of £5.31m (excluding VAT) over a 2-year contract period; funded jointly from the Cheshire East Council approved ICT Infrastructure Investment Programme budget and Cheshire West and Chester (through programme recharges or staged payments as agreed). The Councils are only committing to £741K plus Microsoft premier support agreement. Details can be found in Section 11.
- 6.4 The financial benefits of the business case are included in the CEC 2017-20 Medium Term Financial Strategy.
- 6.5 **Governance** is key to the successful delivery of this transformational investment programme. It is proposed that the purpose of the strategic programme board is to engage the senior ICT stakeholders from both Councils in delivering the ICT Investment Programme from a strategic perspective and, to deliver the required outcomes and benefits; act as sign off authority for key decisions or significant changes in scope; and to assure quality and alignment to Corporate and Service objectives.

- 6.6 In many organisations' transformation programmes there is a tendency to focus attention on 'hard changes' (the structures, systems and processes) as these are the visible signs of change, quicker and easier to implement. However, experience shows that without due consideration to the 'soft changes' (**culture, behaviours and leadership**) the chances of the programme delivering on its aspirations are significantly diminished.
- 6.7 Our **leadership** team and managers will play a critical role in delivering the transformation. The future profile requires inventiveness, resilience and the ability to flex quickly to changing situations and circumstances. We have started work on realigning our culture and recognise this work must continue as creating sustained cultural change that supports organisational change is one of the most difficult leadership challenges.
- 6.8 From the ICT strategic business plan a number of **design principles** are being developed for how the Service will operate into the future. These principles will be supported by design tests that will be based around a number of criteria, which will include necessity, proportionality and value. The approach to **re-design** is much more fundamental than anything undertaken before. It is not around the existing Service elements looking at what they currently do and considering how that could be improved upon (doing the wrong things better), but instead looking at everything from a 'zero base' and, from a client and customer point of view, considering the very purpose of that activity.
- 6.9 The committee will receive regular progress updates on the entirety of the ICT Transformation Programme which encompass both the 'hard' and 'soft' transformational changes.

## 7 Independent review of ICT

RAG Rating / Direction of Travel indicator



- 7.1 Following a procurement process, Ernst & Young LLP (EY) have been appointed to lead the joint Independent Review of ICT. Its primary aim is to seek some independent assurance on the 'whole picture for ICT' and to assist in the design and supporting business case of an optimal operating model across the commissioning and delivery of ICT Services.
- 7.2 At the time of writing (this report) Phase 1 of the review is ready to formally mobilise. It is anticipated that Phase 1 will continue for five weeks and will, through collaborative workshops and primary stakeholder interviews, deliver:
- Establish strategic priorities
  - Establish business requirements
  - Initial Capability Maturity Assessment
  - Leading Practice Comparisons
  - Initial Recommendations
  - Independent review report

- 7.3 Subject to the findings in Phase 1, Phase 2 is anticipated to be for 8 weeks and will look to further build on Phase 1 and deliver:
- Development of an optimum target operating model
  - ICT change assessment
  - Gap assessment from current mode to target mode
  - Outline business case and roadmap for implementation of recommendations
- 7.4 The outputs from the phases will be brought to this committee for decision.

### 8 ICT Service Portfolio

RAG Rating / Direction of Travel indicator



- 8.1 Work is underway to develop an ICT Service Portfolio. The Service Portfolio is aimed at the customer and seeks to describe ICT services that they can expect to consume, written in customer-centric language and is outcomes focussed.
- 8.2 The Service Portfolio approach is welcomed by councils' ICT strategy teams and they are involved collaboratively in the development of this Service Portfolio approach. The Portfolio will be a living and dynamic activity and will constantly align with the future Target Operating model and evolve as councils requirements change.

### 9.0 Service Agreement – Key Milestone Checkpoints

RAG Rating / Direction of Travel indicator



- 9.1 The Administrative Agreement & ICT Service Agreement is being redrafted in line with the Committee's decision to authorise the Head of Legal and Democratic Services (Cheshire East) and the Director of Governance (Cheshire West) in consultation with the Section 151 Officers for each authority to finalise the detailed terms and conditions for, and enter into, all necessary legal documentation for the two year agreement. It is anticipated that this will be completed by 31 May 2017.
- 9.2 Key contractual milestones are currently under discussion and an update will be brought to the committee at its scheduled meeting in July.

### 10.0 Next Steps

- 10.1 This section sets out some of the key next steps and decisions required in the next 6 months. It should be noted that should there be slippage in these deliverables there will be a significant impact on the ability of the Infrastructure Investment programme to enable savings to be realised as incorporated in the CEC 2017-20 Medium Term Financial Strategy.
- 10.2 The following table sets out some key milestones:

Action	Milestone Date
Councils agreement in principle to ICT Transformation Investment Business Case	May 2017
Appointment of 3 <sup>rd</sup> party specialist team to lead the implementation of initial phase 1 activities (Microsoft cloud offerings) via G-Cloud v8	May 2017
ICT Transformation Programme team and governance mobilised	May 2017
Outcomes of phase 1 of the Independent review of ICT (maturity assessment and stakeholder interviews)	June 2017
Phase 2 of Independent review of ICT commenced (if commissioned)	June 2017
Alignment of Councils Digital & ICT strategies	July 2017
Customer 2018/19 requirements & forward plan developed	July 2017
Business Case and Roadmap for implementation of optimum Target Operating Model	July 2017
Shared Services Joint Committee – progress update and decision checkpoint	14 July 2017
ICT Portfolio in place	September 2017
Shared Services Joint Committee – progress update and decision checkpoint	22 September 2017
Revised Service Agreement Specification, Payment Mechanism, and Performance Management Framework in place for 2018/19 financial year.	30 September 2017

## 11.0 Financial Implications

- 11.1 ICT Services will continue its robust financial management processes within agreed cost model and commissioned projects by both councils. As stated in section 5.4. the service is confident of delivering a balanced financial position in 2017-18.
- 11.2 CEC Cabinet has approved for authority to be delegated to the Chief Operating Officer in consultation with the Shared Services Joint Committee and Portfolio Holders for ICT from both Cheshire East and Cheshire West and Chester Councils:
- to enter into all necessary contractual arrangements to deliver the solution; and
  - to use the Digital Marketplace G-Cloud 8 framework to procure an ICT migration partner to transfer ICT shared services into the Cloud.
- 11.3 The delivery of a strategic investment programme will address the need to deliver financial benefits of £5m over a 5-year period, provide a flexible, utility based costing model and remove the dependency on ageing infrastructure through cloud-based solutions that are managed by a strategic technology provider/s. These financial benefits are included in the CEC 2017-20 Medium Term Financial Strategy. It will also prevent threats to customer information either from ageing technology or cyberattack.
- 11.4 All of Microsoft Services in G Cloud 8 (Lot 4) catalogue have an element of agility and flexibility in terms of scope based on the Contracting Authority's environment, infrastructure, skills and desired outcomes. As such, an initial scoping and discovery activity (Phase 1) will be undertaken to determine resource profiles required and pricing for any given requirement. The business case identifies specific requirements, tasks and has received a fixed price quotation from Microsoft Services for Phase 1 activities of £741k excluding VAT. This price includes an approved discount against current list rates.
- 11.5 An indicative price of £4.17m excluding VAT for Phase 2 activities which is based on the SFIA rate card which has been used to determine an indicative time and materials delivery price. Note that this is calculated at a substantial discount rate and may change after June 2017.

- 11.6 An overarching 3-year Microsoft Premier Support package is also required to deliver sections of the transformation programme and deliver business as usual support throughout, at a cost of £395k excluding VAT.
- 11.7 Microsoft Cloud migration partner services are therefore estimated at a total cost of £5.31m (excluding VAT) over a 2-year contract period, funded jointly from the previously approved Cheshire East Council ICT Infrastructure Investment Programme and Cheshire West and Chester (through programme recharges or staged payments as agreed).
- 11.8 The Joint Independent Review of ICT is estimated to cost no more than £150k (funded equally by both councils i.e. £75k per Council).

### **12.0 Legal Implications**

- 12.1 The Shared Services agreement is undergoing further amendment following the end of the extended initial period (31 March 2017).
- 12.2 Where decisions flowing from reviews require procurement activity, this will be carried out in accordance with the Public Contracts Regulations 2015, including any pre-market consultation.
- 12.3 Legal advice will be sought on the licencing, intellectual property, procurement, contract and governance implications of any proposed changes.
- 12.4 The proposed procurement route (for elements of the ICT Transformation Investment Business Case) is using the G-Cloud 8 framework provides a compliant route for procuring the software applications.
- 12.5 The Crown Commercial Service conducts regular procurements under the Public Contracts Regulations for the G-Cloud Frameworks, the G-Cloud 8 Framework being the latest iteration of the Framework. Services are procured under the G-Cloud Framework via the Government's Digital Marketplace which enables Buyers to search for services which match the Buyer's criteria and draw up a short list of potential Suppliers. Buyers evaluate the short listed Suppliers on the basis of price or Most Economically Advantageous Tender (MEAT). In some instances only one supplier may meet the criteria meaning that further evaluation may not be required. This process takes place on the Digital Marketplace there is no call for further competition, suppliers are evaluated on the basis of the information they have supplied to the Digital Market Place. On completing the evaluation the Buyer chooses the service and awards the contract to the Supplier.
- 12.6 The Council's Contract Procedures provide that, where a legally procured framework agreement is used, there is an exemption to the requirements for competition.
- 12.7 The maximum duration of the call off is 2 years when the process may be repeated if necessary under the then relevant G-Cloud framework if the supplier meets the criteria applicable at that time as well as the MEAT principles, which enable qualitative, technical and sustainable aspects of a tender submission to be considered as well as price when determining which supplier to award to.

### **13.0 Risk Management**

- 13.1 The risks associated with the ICT Strategic Business Plan, the Transformation and Infrastructure Investment Programmes and the Independent Review will be reviewed and developed as part of the mobilisation and implementation of the aforementioned Programme/Review.
- 13.2 Significant risks and/or issues, as part of the regular progress reports, are reported up through the agreed governance route to the Joint Officer Board.

### **14.0 Wards Affected**

- 14.1 This report relates to Shared Services that operate across both Cheshire East and Cheshire West and Chester so all wards are affected in both Councils.

### **15.0 Local Ward Members**

- 15.1 Not applicable.

### **16.0 Policy Implications**

- 16.1 None.

### **17.0 Other Options**

- 17.1 None.

### **18.0 Access to Information**

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

*Officer: Gareth Pawlett, Chief Information Officer/Head of ICT Services – Cheshire East Council*

*Tel No: 01270686166*

*Email: [gareth.pawlett@cheshireeast.gov.uk](mailto:gareth.pawlett@cheshireeast.gov.uk)*

#### ***Background Documents:***

*Documents are available for inspection at:*

*Cheshire East Democratic Services*

*Westfields*

*Middlewich Road*

*Sandbach*

*CW11 1HZ*

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## **CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL**

### **SHARED SERVICES JOINT COMMITTEE**

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**Date of Meeting:** 19 May 2017

**Report of:** Paul Newman – Archives and Local Studies Manager

**Subject/Title:** Archives Update

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#### **Report Summary**

- 1.1 The purpose of this report is to provide a progress update in relation to the Archives Project.
- 1.2 This report provides the information that the shared service is required to provide to the Shared Services Joint Committee and/or Joint Officer Board under the Shared Services Agreement.

#### **2.0 Decisions Requested**

Members are asked to:

- 2.1 Note the contents of the report

#### **3.0 Update on the Archives: Timeline for Proposal**

##### **3.1 Introduction**

The requirement to relocate the Archives and Local Studies Service has been recognised by both authorities and a new future service delivery model agreed. This model sees two new history centres being established in Chester and Crewe, alongside improved service delivery in libraries, extended online services and a more extensive activity and event programme. This paper sets out the current position and envisaged timeline for this project.

##### **3.2 Current position**

External consultants have been appointed to undertake site analyses in Chester and Crewe. Both are looking at one site in each place initially, with further sites being analysed (three in Chester, two in Crewe) if these prove unsuitable. The recommendation from the consultants for Chester is expected on 10 May, with the recommendation for Crewe following in mid June.

Following these recommendations, advice will be taken about the decision-making process to allocate specific sites to the project. Advice also needs to be

taken about allocating the future capital receipt from the sale of the current Record Office to the project.

### **3.3 Development of external funding bid**

In order to progress this project the service will need to secure funding from the Heritage Lottery Fund. The service is currently writing briefs for commissions which will support the development of the funding bid. These will be to

- a. Undertake the design work around the preferred sites
- b. Engage new audiences to understand their needs and develop an outline activity programme
- c. Develop exhibition, interpretation and digital proposals to help to bring the collections to life and tell the story of the county
- d. Write an outline business plan to demonstrate the sustainability of the service delivery model
- e. Write the funding bid itself

Briefs for b and c will be written by an external consultant with extensive experience of working with HLF. Those for a, d and e will be written internally and will be informed by briefs written for other, successful, HLF bids (e.g. Tatton Park 'Field to Fork', Lion Salt Works and Grosvenor Park).

#### *Procurement*

The Project Board agreed that, as host authority, Cheshire West should lead the procurement of these services, in consultation with Cheshire East.

### **3.4 Project Management and Governance**

Project Managers have been allocated to the project by both Cheshire West and Chester and Cheshire East. They are working together to draft a document setting out respective roles and responsibilities.

A key issue identified by the Project Board is the need to establish a decision matrix for the project, identifying which decisions need to be made, taken where and when. A workshop to set these out and identify the most efficient decision-making process is currently being arranged and future timelines are partly dependent on the outcome of this workshop.

In the timeline below it is assumed that a paper which allows the project to progress to the point where a funding bid can be submitted and, assuming a successful grant application, grant accepted, will be taken to Shared Services Joint Committee in July and then to both Cabinets in September.

## 3.5 Timeline

	Dates	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Cabinet reports - East</b>	Sep-17				11th		12th						
<b>Cabinet reports - West</b>	Sep-17				12th		13th						
<b>Joint Committee reports</b>	Jul-17				15th								x
													HLF outcome
<b>Site selection</b>													
: site analyses	Feb-Jun 2017	x	x	x									
: recommendation on preferred site (Chester)	May-17		x										
: recommendation on preferred site (Crewe)	Jun-17			x									
<b>Public consultation/engagement</b>													
: to develop activities and type of service	Apr-Nov 2017	x	x	x	x	x	x	x	x				
<b>External Funding</b>													
<b>Activity planning, bid writing and business planning</b>													
: Briefs for external specialists and appointment	May-17		x										
: Procurement	Jun-Jul 2017			x	x								
: Activity planning	Aug-Nov 2017					x	x	x	x				
: Business plan development	Oct-Nov 2017							x	x				
: Bid writing	Aug-Dec 2017					x	x	x	x	x			
<b>Concept design work</b>													
: Briefs for external specialists and appointment	Jun-Jul 2017			x	x								
: Procurement	Aug-Oct 2017					x	x	x					
: Design work (building)	Oct-Nov 2017							x	x				
: Design work (exhibitions, installations)	Oct-Nov 2017							x	x				
: Submit Stage 1 bid	Dec-17									x			
: Decision from HLF on Stage 1	Feb-18											x	
: Secure permission to start from HLF	Feb-Apr 2018											x	x
: Development Stage	May 2018-April 2020												
: Stage 2 bid	Apr-20												
: Decision from HLF on Stage 2	Jun-20												
: Delivery Stage	July 2020 onwards												

**4.0 Wards Affected**

4.1 This report relates to Shared Services that operate across both Cheshire East and Cheshire West and Chester so all wards are affected in both Councils.

**5.0 Local Ward Members**

5.1 Not applicable.

**6.0 Policy Implications**

6.1 None.

**7.0 Other Options**

7.1 None.

**8.0 Access to Information**

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

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*Email: [paul.newman@cheshirewestandchester.gov.uk](mailto:paul.newman@cheshirewestandchester.gov.uk)*

***Background Documents:***

*Documents are available for inspection at:*

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