



Shared Services Joint Committee

Agenda

Date:	Friday 22nd September 2017
Time:	2.00 pm
Venue:	Committee Room 1 - Wyvern House, The Drumber, Winsford, CW7 1AH

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 on 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

2. **Apologies for Absence**

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

3. **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.

4. **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 below.

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

Tel: 01270 686473

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

To approve the minutes of the meeting held on 19 May 2017.

6. **Archives Update** (Pages 7 - 28)

To receive an update on the Archives Project

7. **ICT Review and Shared Service Agreement Update** (Pages 29 - 32)

To receive an update on the ICT Shared Service and Transactional Service Agreements and a presentation from Ernst Young LLP on their findings on the optimum IT delivery model for the Councils.

8. **Finance and HR System Replacement ("Best4Business") Programme**
(Pages 33 - 38)

To receive an update on the progress being made in procuring and implementing a replacement HR and Finance system for the Councils and their partners

Minutes of a meeting of the **Shared Services Joint Committee**
held on Friday, 19th May, 2017 at Committee Room 1 - Wyvern House,
The Drummer, Winsford, CW7 1AH

PRESENT

Cheshire East Council

Councillors P Bates (substitute for Cllr D Brown), JP Findlow, and P Groves

Cheshire West and Chester Council

Councillors D Armstrong, P Donovan and L Gittins

Officers in attendance

Cheshire East Council:

Peter Bates, Chief Operating Officer

Dominic Oakeshott, Head of Professional Services

Suzanne Antrobus, Team Manager - Legal

Gareth Pawlett, Corporate Manager ICT

Rachel Graves, Democratic Services Officer

Cheshire West and Chester Council:

Mark Wynn, Director of Corporate Services

Samantha Brousas, Director of Professional Services

Heloise MacAndrew, Corporate Solicitor

Paul Newman, Archives and Local Studies Manager

1 APPOINTMENT OF CHAIRMAN

RESOLVED:

1. That the appointment of Chairman be deferred until the next meeting.
2. That Councillor D Armstrong be appointed Chairman for the meeting.

2 APPOINTMENT OF VICE-CHAIRMAN

DECIDED:

That Councillor David Armstrong be appointed as Vice-Chairman of the Shared Services Joint Committee for the ensuing 2017/18 Municipal Year.

3 APOLOGIES FOR ABSENCE

Apologies were received from Councillor D Brown.

4 DECLARATIONS OF INTEREST

No Declarations of Interest were made.

5 MINUTES OF PREVIOUS MEETING

RESOLVED:

- 1 That the minutes of the meeting held on 24 March 2017 be approved as a correct record and signed by the Chairman, subject to the addition of Councillor P Bates to the list of those present, and
- 2 in relation to Minutes 9, a report to be brought to the next meeting on the feasibility of webcasting the Joint Committee meetings.

6 PUBLIC SPEAKING TIME/OPEN SESSION

Mr Smetham, Chairman of the Family History Society of Cheshire, asked about the content of the archives expected to be available in Chester and Crewe and what access would there be to digital content from the Crewe location, where paper archives cannot be reasonably shared.

In response Paul Newman, Archives and Local Study Manager, stated that it was too soon to be able to give a detailed response. Archives would be available in Chester and Crewe. It was envisaged that the archives at Crewe would focus on, for example, railways, engineering and the development of Crewe, whilst Chester would focus on its role as County seat for administration, ecclesiastical records, Cheshire societies and organisations and would be the repository for the remaining archives. There would be exhibitions and digital installations at both venues. Consultation would be carried out with partners, such as the Family History Society, to develop activities and type of service to be provided.

The Chairman agreed to change the order of the agenda items so that the Archives Update was considered first.

7 ARCHIVES UPDATE

The Committee considered a report which provided an update on the Archives Project.

Consultants had been appointed to undertake site analyses in Chester and Crewe, with the recommendations expected in May and June respectively. Following these recommendations, advice would be taken on the decision making process to allocate specific sites to the project and also on allocating the future capital receipt from the sale of the current Record Office to the project.

In order to progress the project, funding would need to be secured from the Heritage Lottery Fund and work was underway to write briefs for commissions which would support the development of the funding bid.

Cheshire West and Chester Council would lead the process in consultation with Cheshire East Council.

RESOLVED:

That the content of the report be noted.

8 SHARED SERVICES PERFORMANCE OUTTURN 2016-17

The Committee considered a report which set out a summary of the outturn position for the Shared Service arrangements. It included both indicative financial and non-financial performance over the period 2016-17.

There had 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 represented an improvement to the position at mid-year. For the fifth year running the aggregated Shared Services were reporting an underspend against budgets. An overview of performance was detailed in Appendix 1 to the Report.

Reference was made to the different financial arrangements between the two Councils, and specifically the fixed costs for Cheshire East for some services. It was asked if these costs could be reviewed to ensure the Council was not overpaying.

RESOLVED:

That the Shared Services Outturn Performance for 2016-17 be noted.

9 TRANSACTIONAL SERVICE CENTRE – PROGRESS REPORT

The Committee considered a report which provided an update on the development of the Transactional Service Centre.

A new shared services agreement for transactional HR and Finance services, hosted by Cheshire West and Chester Council had been established. On 1 April 2016, the Council had inherited an approximate £0.5m funding gap from CoSocius Ltd in relation to HR and Finance services. The outturn position for 2016/17 showed a small underspend of £3k, which represented a significant performance achievement for the service. This had largely been achieved through vacancy management and by addressing some non-pay areas such as the roll out of e-payslips; file storage, and a reduction in the school subsidy.

A management restructure of Transactional Service Centre had been undertaken with the recruitment to the Management Team positions being completed. A Strategic Business Plan to 2019 was being developed and would set out the core vision, goals and objectives, non-financial Performance Management Framework, overall and operational

governance, risk and opportunities, financial information and a high level Exit Strategy.

RESOLVED:

That the progress made by the Service in delivering its key objectives be noted and endorsed.

10 **ICT SHARED SERVICE - TRANSFORMATION PHASE**

The Committee considered a report which provided an update on ICT Shared Services, focusing on the Transformation Phase of the service.

An overview of performance in the five key areas of Cost Mode; ICT Services Transformation Phase and outline 5 year Infrastructure Investment Programme; Independent review of ICT; ICT Service Portfolio; and Contractual Checkpoints, was detailed in the report.

It was noted that the financial outturn position for 2016/17 was an underspend of £358k, which had been transferred back to both Councils on a 50/50 basis. The main reason for the underspend in ICT Service Delivery was a one off refund from Vodafone of £470k due to overcharging in previous financial years.

Reference was made to the recent email ransomware attacks. Work was being undertaken by the ICT team to ensure that defences were in place to protect the Councils' ICT systems. Training and awareness for staff of the issues was being provided and business continuity plans were being developed to respond to a cyber attack.

RESOLVED:

That the content of the report be noted.

The meeting commenced at 2.00 pm and concluded at 2.40 pm

Councillor D Armstrong

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting: 22 September 2017

Report of: Paul Newman – Archives and Local Studies Manager

Subject/Title: Archives Update

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

Reports were taken to Cheshire East Council's Cabinet on 12 September and Cheshire West and Chester Council's Cabinet on 13 September (Appendices B and C), to allocate specific sites to the project as the location of the planned history centres in Crewe and Chester. Both Councils have now approved the allocation of the 'old Library' site in Crewe town centre and the site of the former Enterprise Centre in Hoole, Chester.

Both Cabinets were also asked to approve terms of reference for the project (Appendix A), which have been developed, in consultation with Legal teams in both Councils, in order to establish a Project Board and a Portfolio Board and to establish a decision framework for the project in the context of the existing

Shared Service Administrative Arrangements. The project terms of reference will be reviewed following the first stage of the project.

The papers also set out the vision for the service, as approved by Shared Services Joint Committee in 2016, as well as a vision for the new history centres.

Both Councils have also approved the submission of a Round One external funding bid to the Heritage Lottery Fund in support of the proposal, as well as permission to receive and spend the grant if successful. Both have also approved the allocation of capital funding as match funding for the grant up to the end of financial year 2019/20. This is for the 'development phase' of the project, during which a full business case for the funding required to fully deliver the project will be developed to match the Round Two bid to Heritage Lottery Fund in Summer 2020.

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. A project manager has been allocated to the project and the service is currently in the process of recruiting external specialist support to progress the external funding bid. These commissions 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 and interpretation 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. Support the writing of the funding bid itself

4.0 Timetable

- 4.1** A project plan has been developed and an indicative summary timetable is as follows:

Activity planning (procurement to completion)	July-Dec 2017
Exhibition and installations	Aug-Dec 2017
Funding bid development	Aug 2017-Feb 2018
Sites confirmed and allocated	Sep 2017
Building design work	Oct 2017-Jan 2018
Business planning	Oct-Dec 2017
Memorandum of Understanding for project agreed	Nov 2017
Cost plans developed	Nov 2017-Jan 2018
Development phase briefs and job descriptions	Sep 2017-Jan 2018
Round One funding bid submitted	Mar 2018
HLF Decision	June 2018
Development phase	Autumn 2018 – Summer 2020

Round Two HLF submission	Summer 2020
HLF Decision	Autumn 2020
Delivery phase	Winter 2020 – Summer 2022

5.0 Wards Affected

5.1 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.

6.0 Local Ward Members

6.1 Not applicable.

7.0 Policy Implications

7.1 None.

8.0 Other Options

8.1 None.

9.0 Access to Information

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

Officer: Paul Newman, Archives and Local Studies Manager– Cheshire West Council

Tel No: 01233 973391

Email: paul.newman@cheshirewestandchester.gov.uk

Background Documents:

Documents are available for inspection at:

*Cheshire East Democratic Services
Westfields
Middlewich Road
Sandbach
CW11 1HZ*

APPENDIX A

Archives Project - Terms of Reference

This document outlines project organisation and operation.

The Archives and Local Studies Services is a joint service provided by Cheshire West and Chester Council, (as the Discharging Council), on behalf of Cheshire East Council, (as the Arranging Council), in accordance with an Administrative Agreement made between the two Councils on 1st April 2016.

The Archives project is jointly run between Cheshire West and Chester (CWaC) and Cheshire East Council (CEC) by a Project Board.

The Project Board will operate to the following principles:

1. This project will be run as a single project
2. There will be a single Senior Responsible Owner (SRO) across the project
3. Project resources will be shared between both authorities and there will be no 'lead' authority
4. The project will be documented using Cheshire East Council's standard project documentation
5. The existing Administrative Agreement for the Archives Service will continue to be used as a basis for future arrangements for the service as it outlines how the services recharges costs to CEC and CWaC and legal agreements currently in place. This will also form the basis of the principles for this project.
6. As host authority, Cheshire West and Chester will submit the external funding bids and act as the accountable body for the project in that regard.
7. There will be a Memorandum of Understanding (MoU) to cover elements not covered in the Terms of Reference (ToR).

Project Board

The Project Board consists of the SRO, the Senior User, the Senior Supplier and Project Manager. Only one person can be the SRO while both the Senior User and Senior Supplier's roles may be assigned to one or more persons.

The SRO owns the business case and is responsible for ensuring that the project delivers the benefits set out in the business case. The SRO is therefore the accountable decision maker subject to these terms of reference and the Project Board:

The Project Board has the following duties:

- To be accountable for the success or failure of the project
- To provide direction to the project and Project Manager
- To provide the resources and authorise funds for the project within the financial constraints as outlined within the project budget
- To ensure effective communication within the project team and with external stakeholders
- To endorse the actions of the SRO

Our project board will consist of the following:

Named person	Role	Responsibility
Brendan Flanagan	SRO	Single point of accountability for

		<p>the project.</p> <p>The SRO is responsible for developing the Business Case and ensuring value for money during the project</p>
Helen Paton	Senior User (Cheshire East Council)	<ul style="list-style-type: none"> • To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users • To make sure the solution will meet the needs of the Users. • Represent CEC interests • Stakeholder management for CEC
Paul Newman	Senior User (Archives Shared Service)	<ul style="list-style-type: none"> • To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users • To make sure the solution will meet the needs of the Users. • Represent Archives Shared Service interests • Stakeholder management for Archives Shared service. • Staff engagement
Katherine West	Senior User (Cheshire West and Chester Council)	<ul style="list-style-type: none"> • To specify the needs (requirements) of the Users that will use the project products • To liaise between the Project Board and the Users • To make sure the solution will meet the needs of the Users. • Represent CWaC interests • Stakeholder management for CWaC
Sahar Kojidi	Project Manager	Project management
Magnus Theobald	Project Manager (Capital works)	Project management (all capital works)
Karen Williams	Project Support	Project administration

Note - every effort will be taken to ensure that the Project Board Named Persons will remain consistent for the duration of the project but may be changed.

Project Board meeting arrangements:

- The Project Board will meet, normally monthly, and will discuss project progress, resolve/escalate risks and issues.
- The SRO and at least one Senior User must attend for the meeting to go ahead.
- Each quarter the Project Board meetings will be extended to wider services i.e. Communications; Legal; Procurement; Property and ICT as required.
- Agendas will be agreed by the SRO and will be released either by Project Manager or Project Support 5 days in advance of the meeting.

Portfolio Board

One Portfolio holder from each Council will be nominated by each Council. This group consists of project board members plus the portfolio holders. Currently those Portfolio Holders are:

- Cllr David Brown
- Cllr Louise Gittins

The role of this group is as follows:

- Work within framework set out by Joint Committee
- Discuss risks and issues which require strategic decisions
- To provide updates to Joint Committee
- Portfolio holders to keep respective administrations aware of progress and key decisions to ensure these are progressed in a timely manner and the risk of delays to the project are avoided
- Involvement of cross party liaison as required for major decisions

Portfolio board meeting arrangements:

- To meet monthly or at least once before each Joint Committee
- Discuss and escalate strategic issues and risks
- The Portfolio board will only be cancelled in the event that both portfolio holders and the SRO cannot attend
- Agendas will be agreed by the SRO and will be released either by Project Manager or Project Support 5 days in advance of the meeting.

Joint Committee

This group agrees the strategy for the Shared Service in accordance with the existing Administrative Agreement and currently consists of:

- Councillor Paul Bates (CEC)
- Councillor Peter Groves (CEC)
- Councillor Paul Findlow (CEC)
- Councillor Louise Gittins (CWaC)
- Councillor David Armstrong (CWaC)
- Councillor Paul Donovan (CWaC)

This group will:

- Have oversight of strategic direction for the project
- Set tolerances for project – cost, quality and time
- Monitor the progress of the project
- Make any changes to these Terms of Reference which are not major in nature

Joint Officer Board

All reports to Joint Committee must first be presented to this group for review and will support the project in accordance with the Joint Officer Board's Terms of Reference. The Joint Officer Board also delegates the day to day responsibility for the Project to the Project Board.

APPENDIX B

Cheshire East Council

Cabinet

Date of Meeting:	12th September 2017
Report of:	Executive Director Place
Subject/Title:	Future Accommodation for Cheshire Archives
Portfolio Holder:	Councillor David Brown

1. Report Summary

1.1 Cheshire Archives and Local Studies (CALS) is a shared service of Cheshire East Council and Cheshire West and Chester. The requirement to relocate the Archives and Local Studies Service has been recognised by both authorities and a new future service delivery model agreed (Shared Service Joint Committee September 2016). The model sees two new history centres being established in Chester and Crewe. This will deliver improved access to and conservation of, unique and irreplaceable collections, improved service delivery, extended online services and a more extensive activity and event programme. This paper sets out the current position, the scope and timeline for this project and seeks approvals that will enable the project to progress. There is a parallel process taking place in Cheshire West and Chester (CWaC).

2. Recommendation

It is recommended that Cabinet:

- 1 Approve the proposed vision for a new History Centre in Crewe.
- 2 Approve applications for funding to support the project including the application to Heritage Lottery Fund for Cheshire Archives and Local Studies.
- 3 Approve the proposed Terms of Reference for governance of the project.
- 4 Approve Shared Services Joint Committee making all necessary decisions to deliver the project within agreed budgets.
- 5 Agree that the 'Old Library' site in Crewe is selected for a new History Centre.
- 6 Note the proposed timescale for the project.
- 7 Note the capital costs required to delivery this project including costs of demolition.

- 8 The above recommendations are made subject to Cheshire West and Chester Council's Cabinet on 13th September 2017 approving the proposed Terms of Reference for the governance of the project.

3 Other Options Considered

- 3.1 Doing nothing has been discounted by both Councils as it would lead to losing the accredited status of the service; resulting in financial penalties, reputational issues for both Councils and non-delivery of statutory functions.
- 3.2 Following an extensive site selection process in Cheshire East and West a number of potential sites were short-listed for consideration in Crewe and Chester. These have been further addressed, following independent feasibility work and site selection exercises.
- 3.3 Governance models have been discussed with Legal and Finance in both Councils. The proposed model has been agreed by all members of the project team.

4 Reasons for Recommendation

- 4.1 The need to find a replacement facility for the current Record Office in Duke Street, Chester, has been recognised by elected members from both authorities and is a key recommendation arising from the National Archives Accreditation report from November 2015.
- 4.2 Since 2012 work has been carried out on building a detailed understanding of the requirements and potential costs of replacement archive facilities.
- 4.3 A recent site selection exercise carried out by Halliday Meecham Architects has recommended the 'Old Library' site as the preferred site for a history centre in Crewe. The report concluded that "The Library site has many of the advantages and few of the disadvantages of the other sites". An analysis of the pros and cons of each of the three sites considered is attached at Appendix A
- 4.4 In order to progress this project, both Councils have agreed a shared vision (Shared Services Joint committee January 2016) for the service and have developed a project plan to move this forward. In addition a 'vision' for a History centre based in Crewe has been developed to articulate the delivery of the shared vision for the service (Appendix B). Specifically in respect of Crewe, the History Centre will be an important, transformational aspect of Crewe's regeneration, which will provide a statement of confidence in the town's future, rooted in the strength of its heritage. It will provide another 'anchor' for regeneration and help increase footfall in an area with nearby civic, cultural and leisure facilities.
- 4.5 The Councils are eligible to apply for Heritage Lottery Funding for both the development phase and the build phase. The process being followed is that recommended by HLF for projects of this scale. 'Stage one' involves gathering all the basic information required about the project ie. the what, when, where and how. It is not expected at this stage that applicants have all the information in a great deal of detail. If successful at stage one, the detail is then developed during the development phase. Following this, a 'stage two' application is submitted which is a detailed business plan and project plan. If successful at this stage then building can begin.

- 4.6 The stage one application is currently being developed, with a number of separate pieces of work being commissioned to inform the bid. This stage is fully funded within the current Capital programmes of both the Council and CWAC.
- 4.7 Terms of reference for the project have been developed in order to establish a decision making processes. Although developing two History centres, this is one project requiring an overarching project management and decision making framework. However, it is essential that decision making and procurement processes of both Councils are met. The terms of reference which have been developed set out to achieve this, whilst ensuring that appropriate delegations are made to ensure that the process is not unnecessarily burdensome and complex.

5 Background/Chronology

- 5.1 In September 2016, The Shared Services Joint Committee endorsed the proposal to develop 2 new history centres based in Crewe and Chester. A Vision for a history centre, including the aspects specifically related to one based in Crewe, is attached at appendix B.
- 5.2 Public consultation in 2014 tested preference of a number of locations around the County, from this Crewe and Chester were approved by both Joint Committee as locations for the centres with a number of potential sites identified in accordance with criteria agreed by Joint Committee. Further engagement with existing and potential users will be undertaken as part of the development phase for this project as well as being part of Masterplanning and town centre regeneration plans for Crewe.
- 5.3 These sites were subject to a feasibility study which tested the appropriateness of each and from this recommendations were made for 3 potential sites on the East and 3 further potential sites in Cheshire West and Chester. In Crewe, the three sites investigated were; Municipal Buildings, the 'Old Library' site and the Police Station site.
- 5.4 The Joint Committee in September 2016 recommended a two centre solution. This was the result of extensive discussions between members and officers in both authorities, taking account of the result of previous consultation and options analysis work. As a result of this it was agreed that Chester and Crewe should be the focus of a vision for the service.
- 5.5 A History Centre would be created in Chester which would house the bulk of the archive, facilitating storage, conservation and research needs in one place. The case for this to be in Chester takes account of the city's long standing relationship with the delivery of the service and takes account of feedback from existing users in the 2014 consultation. It provides a natural, logical home for the service given the city's long history as the seat of county government. The centre would be an access point for people to do research, view exhibitions connected to the history of the county and its people and attend events and workshops. It would be the base for most staff and volunteers together with specialist functions such as digitisation and conservation. It would also be the home of the county-wide Local Studies collection.
- 5.6 The second History Centre would be based in Crewe. The centre would reflect the story of Crewe and its locality in addition to housing material related specifically to the East of the county. This centre would have a programme of curated exhibitions, a large special collection (including Local Studies material relating to the East of the county), digital access through a bespoke digitisation programme, local newspapers and

photographs, occasional, supervised, access to archives from the other centre for projects and exhibitions, and space for staff and volunteers. In addition it will house a large gallery / exhibition space for use not only by Archives but to host cultural exhibitions of local, national and international interest. The 2014 consultation identified that Crewe had the greatest potential to attract new audiences. A vision for a History Centre in Crewe is attached at appendix B

5.7 The centre in Crewe is also a potential home for the Family History Society of Cheshire, which has a long-standing relationship with the Archives service and is seeking new premises. This would give access to the Society's collection of copies of genealogical material and to their expert knowledge.

5.8 The History Centre in Crewe would also store and give access to railway/engineering company archives for research purposes. The railway archives held by the service are a nationally significant collection and Crewe is unique in Cheshire in there being archives which relate to an activity which so define a particular place and which activity was instrumental in the creation of that place. Placing them in Crewe would increase the use of these archives and complement the proposal to create permanent and temporary exhibitions, space for workshops and activities, etc. The railway company archives could sit alongside the LNWR Society's own (community) archive and for example, a range of activities for schools could be run relating to the history and development of Crewe.

5.9 Both centres would provide digital access to family and local history, access to film and sound archives, have facilities to support community history projects including space for their collections, space for public art, performance and digital installations which tie the service closely to the wider cultural offer in that area. Each centre will also have space for talks, events and activities such as workshops with schools.

5.10 A site selection process has now been undertaken by independent consultants in accordance with the requirements of the facility. A similar exercise has taken place for Chester. Sites in Crewe were identified through discussions which took into account; The council's regeneration priorities, Crewe Masterplanning processes, the Council's Cultural Framework and the views of key stakeholders.

5.11 In Crewe, the three sites investigated were; Municipal Buildings, 'Old Library' site and the Police Station site. The recommended site is the 'Old Library' Site. Any future regeneration of the 'Old Library' site will require demolition of the current building. A decision regarding demolition of the current site will therefore be required in order to facilitate this project.

5.12 A full project plan is being developed and an indicative summary is below:

Stage 1 Application Preparation	
Activity planning (procurement to completion)	July-Dec 2017
Digital engagement	Aug-Dec 2017
Exhibition and installations	Aug-Dec 2017
Funding bid development	Aug 2017-Feb 2018
Building design work	Oct 2017-Jan 2018
Sites confirmed and allocated	Sep 2017

Business planning	Oct-Dec 2017
MOU for project agreed	Nov 2017
Cost plans development	Nov 2017-Jan 2018
Development stage briefs and job descriptions	Sep 2017-Jan 2018
Funding bid submitted	Mar 2018
HLF Decision	June 2018
Stage 2 development phase	Autumn 2018 – Summer 2020
Stage 2 HLF submission	Summer 2020
HLF Decision	Autumn 2020
Build phase	Winter 2020 – Summer 2022

This essentially breaks down into three distinct phases of work; Preparation of stage one application, stage 2 development phase and build phase.

6 Wards Affected and Local Ward Members

6.1 This report relates to Shared Services that operate across both Cheshire East and Cheshire West, so all wards are affected in both Councils. However there will be a specific impact on central Crewe and Chester wards due to the locations of the History Centres.

7 Implications of Recommendation

7.1 Policy Implications

The project specifically supports objectives 1, 2, 3 and 5. Developing a history centre in Crewe will contribute to the Councils Quality of Place agenda and to Masterplanning and town centre regeneration plans for Crewe. It will also assist delivery of the Council's Cultural Framework and Cultural Priorities and the developing Skills and Employment Strategy. The project helps to align cultural and visitor economy activity to contribute to the success and quality of the priority regeneration areas.

7.2 Legal Implications

The project team includes representatives from Legal and Finance in both The Council and CWAC. Terms of reference have been produced to guide the governance of the project. These will be reviewed once Stage 1 HLF funding is obtained as part of the development stage. Terms of reference are attached at Appendix C.

7.3 Financial Implications

7.3.1 The service will submit an application to the Heritage Lottery Fund (HLF) request additional financial support from the HLF for the project. This will provide additional funds to support the development phase and the build phase. At this time match funding from the Councils will need to be confirmed. It is currently anticipated that this will be in the region of £4.2m from each authority notwithstanding any significant changes. However, it is also anticipated that the capital receipt from the sale of the current Record Office in Duke Street, Chester, can be put towards delivery of the relocation project as part of the matched funding for a HLF grant.

7.3.2 A budget of £225k is included within the approved capital programme for the Option Development phase. The budget for the build phase, of which the

Cheshire East contribution is currently £4.2m, is included in the addendum to the capital programme. At the stage where the business case is sufficiently developed and deemed to be affordable the Portfolio Holder for Finance and the Section 151 Officer will be asked to consider approval for the scheme to proceed and form part of the main capital programme.

7.3.3 The total cost of the scheme, currently estimated at £13m, will be included in the capital programme of both authorities.

7.3.4 The costs of demolition of the current building on the Old Library Site will need to be considered in addition to the capital build costs of this project. That cost is dependent on a decision as to which of 3 options for demolition is taken. These are currently estimated at between £800k and £1.9 million (dependant on specification and scope of works), in order to realise the regeneration potential of this site. Accepting that these costs may be required anyway in order to re-develop the sit, this would take the total investment to between £5m and £6.1m.

7.3.5 Revenue costs for the proposed way forward will be established as part of the development phase.

7.4 Equality Implications

An Equality Impact Assessment was carried out in April 2014 when public consultation over potential locations for the service was undertaken. Active engagement with existing and potential audiences for the service will be critical to the success of the service in the future and this will be central to the external funding bid, with an outline Activity Plan being written in support of the bid which will also inform the design of the history centres.

7.5 Rural Community Implications

The proposal will allow for easier access to archive collections relating to the County's rural and urban heritage, improving access for Cheshire East communities.

7.6 Human Resources Implications

All staff within the Archives and Local Studies shared service are employees of CWAC as the host authority. All staff are being kept informed and being consulted as part of the project development, which will continue throughout the project. The project will also extend volunteering opportunities.

7.7 Public Health Implications

There is potential through the development of a history centre in Crewe to engage positively with public health outcomes, particularly through working with people with mental health issues and dementia. Either by providing volunteering opportunities or skills development and pathways into work, or through project work inspired by the archives.

7.8 Implications for Children and Young People

The vision for the history centre describes the audience demographic which will be targeted. This includes schools, for whom there will be improved education facilities and outreach. Young people will benefit from increased connections to employers in the area and informal education and skills development opportunities. Young people are already being engaged in the scheme through a Heritage Lottery Funded project,

which involves them researching archives relating to Crewe Town Centre and interpreting them through the media of MineCraft.

7.9 Other Implications

The building will be designed to high environmental standards to reduce impact on the environment and to reduce running costs.

8. Risk Management

We are maintaining a full risk log using the corporate risk management template. The following table provides a short summary of key risks:

Risk	Impact	Mitigation
Do nothing	<ul style="list-style-type: none"> - Loose accreditation from The National Archives - Reputational damage to the authority - Financial implications 	There is a joint CEC and CWaC Project team in place to support the application to HLF for developing this project further.
Preferred Crewe site not approved	<ul style="list-style-type: none"> - Financial implication - Time implication 	A comprehensive feasibility study has been carried out, which has resulted in the recommended site.
Project timescales – submission of HLF bid by February 2018	<ul style="list-style-type: none"> - Reputational damage to the authority if we are unable to submit our HLF application 	There is a joint CEC and CWaC Project team in place to support the application to HLF for developing this project further to reduce the financial burden on the authority and in turn Residents.

9. Access to Information/Bibliography

Background papers relating to this report can be inspected by contacting the report writer.

10. Contact Information

Contact details for this report are as follows:

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APPENDIX C

CHESHIRE WEST AND CHESTER

REPORT TO CABINET

Date of Meeting:	13 September 2017
Report of:	Director of Places Strategy
Cabinet Member:	Councillor Louise Gittins, Cabinet member for Communities and Wellbeing
Title:	Archives Service: allocation of site for new history centre

1.0 What is the report about?

- 1.1 Cheshire Archives and Local Studies (CALS) is a shared service of Cheshire West and Chester Council and Cheshire East Council (CEC). The requirement to relocate the Archives and Local Studies Service has been recognised by both authorities and a new future service delivery model agreed (Shared Service Joint Committee September 2016).
- 1.2 The model sees two new history centres being established in Chester and Crewe. This will deliver improved access to and preservation of unique and irreplaceable collections, improved service delivery, extended online services and a more extensive activity and event programme to bring the service to a larger and wider audience across the two local authority areas. This is captured in the vision for the Archives service, endorsed by Shared Services Joint Committee in January 2016: 'Easy Access to Histories. Collecting evidence of Cheshire's communities live, past and present.'
- 1.3 A funding bid to the Heritage Lottery Fund (HLF) is currently being developed. Approval to submit this funding bid and for subsequent expenditure was agreed by Council in February 2017.
- 1.4 The report seeks permission to allocate a site to the project. This needs to happen in order to allow detailed feasibility work, including detailed costs, architectural work and public engagement to be carried out with regard to the site and proposed facility. This work is required for the HLF development stage of the project.
- 1.5 This paper sets out the current position, the scope and timeline for this project and seeks approvals that will enable the project to progress. There is a parallel process taking place in CEC.

2.0 Recommendation

- 2.1 To approve the allocation of Hoole Road (site of former Enterprise Centre) as the site of the new history centre in Chester and to approve the appropriation of the site for the statutory purpose of the provision of an archive service.
- 2.2 To approve the establishment of a Project Board and Portfolio Board for the project with the membership and terms of reference as detailed in the attached 'Terms of Reference' document.

3.0 Reasons for the recommendation

- 3.1 The need to find a replacement facility for the current Record Office in Duke Street, Chester, has been recognised by elected members from both authorities and is a key recommendation arising from the Archives Accreditation report from November 2015. Conditions in the Duke Street facility are not suitable for the long term preservation of archives and facilities no longer meet the needs of customers, volunteers and staff.
- 3.2 The need for a new facility in Chester is a strategic priority identified in the Chester Heritage and Visual Arts Strategy, approved by Cabinet in March 2017.
- 3.3 In order to progress this project an external funding bid will need to be submitted to the Heritage Lottery Fund and central to this will be the development of concept designs for new facilities. Approval is therefore required to allocate Hoole Road site to the project. This is on the basis that that site is the most suitable site to enable to delivery of the vision for the service, supporting the Council's priority outcomes by bringing the service to a larger and wider audience while also being the most cost-effective available site which supports the regeneration of the selected area as part of a wider masterplan.
- 3.4 Terms of reference for the project (Appendix A) have been developed in order to establish a Project Board and a Portfolio Board and to establish a decision framework for the project in the context of the existing Shared Service Administrative Arrangements. The project terms of reference will be reviewed following the first stage of the project.

4.0 Report details

- 4.1 The need to find a replacement facility for the current Record Office in Duke Street, Chester, has been recognised by elected members from both authorities and is a key recommendation arising from the Archives Accreditation report from November 2015.
- 4.2 In 2014 public consultation on potential locations for a new facility for the service was carried out across both Cheshire West and Chester and Cheshire East and reported to Shared Services Joint Committee.
- 4.3 In order to progress this project, both Councils have agreed a shared vision (Shared Services Joint Committee January 2016) for the service and have developed a project plan to move this forward. This vision was developed with staff, volunteers, service users and other key stakeholders to provide a strong basis for the service's future development.
- 4.4 A new future service delivery model was agreed (Shared Services Joint Committee September 2016). This was the result of extensive discussions between members and officers in both authorities, taking account of previous consultation and options analysis work. As a result of this it was agreed that Chester and Crewe should be the focus of a vision for the service and the model sees two new history centres being established. This will deliver improved access to and preservation of unique and irreplaceable collections, improved service delivery, extended online services and a more extensive activity and event programme across both boroughs.
- 4.5 The vision for the service and for the history centre in Chester is in Appendix B.
- 4.6 A history centre would be created in Chester which would house the bulk of the collections. The case for this to be in Chester takes account of the city's long standing relationship with the delivery of the service and taking account of feedback from existing users in the 2014 consultation. It is a natural, logical home for the service given the city's long history as the seat of county government. The centre would be an access point for research, exhibitions and interpretation connected to the history of the county and its people and for events and workshops. It would be

the base for most staff and volunteers together with specialist functions such as digitisation and conservation. It would also be the home of the county-wide Local Studies collection. The collections will also be used to support wider story-telling throughout the city and wider borough through exhibitions and interpretation in other venues such as museums and libraries. The need for a new facility in Chester is a strategic priority within the Chester Heritage and Visual Arts Strategy, adopted in March 2017.

- 4.7 The second history centre would be based in Crewe. The centre would reflect the story of Crewe and its locality. This centre would have a programme of curated exhibitions, a large special collection (including Local Studies material relating to the East of the county), digital access through a bespoke digitisation programme, local newspapers and photographs, occasional access to archives from the other centre for projects and exhibitions, and space for staff and volunteers. In addition it will house a large gallery / exhibition space for use not only by Archives but to host cultural exhibitions of both local, national and international interest.
- 4.8 Both centres would provide digital access to family and local history, access to film and sound archives, have facilities to support community history projects including space for their collections, and space for public art and digital installations which tie the service closely to the wider cultural offer in that area. Each centre will also have space for talks, events and activities such as workshops with schools.
- 4.9 The proposal will allow for easier access to archive collections relating to the County's rural and urban heritage, improving access for communities. There is potential through the development of an activity programme in support of the HLF bid to engage positively with public health outcomes, particularly through working with people with mental health issues, either by providing volunteering opportunities or skills development and pathways into work, or through project work inspired by the archives. There is also the opportunity to extend the service's learning programme, both informal and formal. Support for community groups who wish to understand more about the identity and past of their community will also be central to the future of the delivery of the service in the future.
- 4.10 This activity programme will be critical to the success of a funding bid and to the positive development of the service in the future. Both current and potential users of the service will be engaged with to develop this programme, to ensure that as far as possible the service meets their needs in the future.
- 4.11 In both Chester and Crewe, independent consultants have undertaken a site selection study in accordance with the requirements of the service. Sites in Chester were identified through discussions with Chester Growth Partnership which took into account site availability, the Chester One City Plan and the Chester Heritage and Visual Arts Strategy.
- 4.12 In Chester, the sites investigated were: the site of the former Enterprise Centre, Hoole Road; St Anne's Street Car Park; Gorse Stacks roundabout; a site within the proposed Northgate development and Chester Castle. As a result of this study, the former Enterprise Centre, Hoole Road is recommended as the site of the history centre.
- 4.13 Appendix C of this report provides a fuller site analysis, but the key advantages of the chosen site are that it
 - is available and relatively easy to assemble on a level, accessible site with services;
 - is easily accessible by public transport and on foot;
 - is large enough to co-locate with e.g. a small housing development, offering opportunities to connect archives and housing;
 - brings opportunities to connect the service with the local community in Hoole;
 - is the site with the lowest build cost.

The Council, working with partners, is looking at the overall master planning of the station and Hoole Bridge area and during that process will be considering the overall regeneration of the area to ensure a holistic approach. A short term lease for car parking has been granted for the site, subject to planning, in connection with One City Place.

- 4.14 A Round One funding application to the Heritage Lottery Fund is anticipated early in 2018. A series of external commissions are being procured in support of this; these are fully funded through both Councils. Approval to submit this funding bid and for subsequent expenditure was approved by Council in February 2017.
- 4.15 The process being followed is that recommended by HLF for projects of this scale. A Round One application sets out the vision for the project and outline activity plan developed by engagement with current and potential audiences for the service. It also includes concept designs for facilities and details, if the Round One bid is successful, the plans to bring it to the delivery stage, which will be subject to a Round Two bid. This Round Two application is submitted with a detailed activity plan, business plan and project plan. If successful at this stage then building can begin.
- 4.16 A full project plan is being developed and an indicative summary is below:

Activity planning (procurement to completion)	July-Dec 2017
Exhibition and installations	Aug-Dec 2017
Funding bid development	Aug 2017-Feb 2018
Sites confirmed and allocated	Sep 2017
Building design work	Oct 2017-Jan 2018
Business planning	Oct-Dec 2017
Memorandum of Understanding for project agreed	Nov 2017
Cost plans developed	Nov 2017-Jan 2018
Development phase briefs and job descriptions	Sep 2017-Jan 2018
Round One funding bid submitted	Mar 2018
HLF Decision	June 2018
Development phase	Autumn 2018 – Summer 2020
Round Two HLF submission	Summer 2020
HLF Decision	Autumn 2020
Delivery phase	Winter 2020 – Summer 2022

- 4.17 This is a single project with an overarching project management and decision-making framework. However, it is essential that decision-making processes of both Councils are met. The terms of reference which have been developed set out to achieve this, while ensuring that appropriate delegations are made to ensure that the process is not unnecessarily burdensome and complex. Although it is a single project, the capital delivery phase of the Chester site will be managed by a Cheshire West and Chester project manager.

5.0 How does the decision contribute to the Council's Plan?

- 5.1 Cheshire West and Chester's Council Plan 2016 – 2020 'Helping the Borough Thrive'. A key priority within the plan is 'Vibrant and Healthy Communities

with inclusive leisure, heritage and culture opportunities.’

- 5.2 Delivery of this project will extend access to the Borough’s history to a larger number of residents and visitors from a wider range of communities.

6.0 How does the decision contribute to working with the Councils Partners?

- 6.1 The Archives service is a shared service with Cheshire East Council and this project is therefore a shared project working across both Boroughs.

7.0 What will it cost?

- 7.1 The project business case sets out that the project runs beyond 2019-20, with a currently estimated cost of £13.6 million. HLF grant request is £4.158m.
- 7.2 The service will submit an application to the Heritage Lottery Fund (HLF) to request financial support for the project. Cheshire West and Chester Council will submit the bid and act as the accountable body for the project. This will provide additional funds to support the development phase and the delivery phase. At the point of submitting a Round Two bid, match funding from the Councils for the delivery phase will need to be confirmed. It is currently anticipated that in total this will be in the region of £4.2 M from each authority notwithstanding any significant changes but it is also anticipated that the capital receipt from the sale of the current Record Office in Duke Street, Chester, can be put towards delivery of the relocation project. This is currently valued at £0.95 million. The building is jointly owned by Cheshire West and Cheshire East.
- 7.2 A budget of £75,000 has been approved for the current financial year to support the development of a site options appraisal and the delivery of specialist commissions which will support the development of the external funding bid to HLF.
- 7.3 To support the development phase of the project, should a Round One HLF bid be successful, match funding of £173,000 in year 2018/19 and £173,000 in 2019/20, was approved by Full Council in March 2017. The budget for the delivery phase is included in the addendum to the capital programme. At the stage where the business case is sufficiently developed and deemed to be affordable, the required approval will be sought for the scheme to proceed and form part of the main capital programme.
- 7.4 Revenue costs for the proposed way forward will be determined over the course of the development stage of this project. Heritage Lottery Fund will require a robust business case to ensure future sustainability of the service as proposed and this will be developed in full over the course of the development phase. Key objectives of the business planning process will be to ensure the service and centres maximise cost effectiveness and income generation.
- 7.5 The Hoole Road site has been identified as surplus to requirements and included in the list of properties for disposal but no valuation has been carried out, pending a strategic review, and no value is attached to it. The Council is therefore not relying on a specified capital receipt from this property in order to balance its budget.

8.0 What are the legal aspects?

- 8.1 The Shared Services Administrative Agreement between the Council and Cheshire East Council provides for the ongoing delivery of services and the development of

service business plans. The attached Project Terms of Reference are required to provide a decision making framework for the project in the context of the existing Administrative arrangements for the successful delivery of this project and have been agreed by Legal teams in both authorities. These will be reviewed as the project develops.

- 8.2 This is a single project with an overarching project management and decision-making framework. However, it is essential that decision-making processes of both Councils are met. The terms of reference which have been developed set out to achieve this, while ensuring that appropriate delegations are made to ensure that the process is not unnecessarily burdensome and complex. Decisions upon the provision of resources and the authorisation of funding within the established project budget are delegated to the Project Board. However, setting the project budget and major property transactions, for instance, will still be reserved to each authority's Cabinet.
- 8.3 Although this is a single project, the capital delivery and construction phase of the future Chester facility will be project managed by Cheshire West and Chester Council.

9.0 What risks are there and how can they be reduced?

- 9.1 A full risk log is being maintained as part of the development and management of this project.
- 9.2 Key risks relating to the decision requested in this paper are

Risk	Impact	Mitigation
Do nothing	<ul style="list-style-type: none"> - Lose Accredited Archive status - Reputational damage to the authority - Financial implications 	There is a joint project team in place to support the application to HLF for developing this project further.
Preferred Chester site not approved	<ul style="list-style-type: none"> - Financial implication - Time implication 	<p>Public consultation over preferred locations was carried out and further public engagement will be carried out as the project progresses.</p> <p>We have carried out a comprehensive feasibility study which has resulted in the recommended site.</p> <p>The proposal has been developed with Chester Growth Partnership to ensure a strategic fit with wider</p>

		master-planning for the city.
Project timescales – submission of HLF bid by March 2018	- Reputational damage to the authority unable to submit our HLF application	There is a joint project team in place to support the application to HLF for developing this project further to reduce the financial burden on the authority and in turn residents.

10.0 What is the impact of the decision on health inequalities and equality and diversity issues?

- 10.1 The proposal contributes to the Councils plan 'Helping the Borough Thrive' and its outcome targets for vibrant and healthy communities with inclusive leisure, heritage and culture opportunities.
- 10.2 Active engagement with existing and potential audiences for the service will be critical to the success of the service in the future and this will be central to the external funding bid, with an outline Activity Plan being written in support of the bid which will also inform the design of the history centres.

11.0 Are there any other options?

- 11.1 Doing nothing has been discounted by both Councils as it would lead to losing the accredited status of the service, resulting in potential financial penalties and reputational loss.
- 11.2 Other locations for the service were the subject of public consultation as outlined in 4.2-4.4.
- 11.3 Other sites in Chester have been subject to site analysis as outlined in 4.11-4.13.

For further information:

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Background Documents:

Documents are available for inspection at:

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting:	22 September 2017
Report of:	Sam Brouzas – Director of Professional Services (Cheshire West & Chester) Pete Bates – Chief Operating Officer (Cheshire East)
Subject/Title:	Joint Council ICT Review and Shared Service Agreement Update Report
Portfolio Holder:	Paul Findlow – Cheshire East Council, David Armstrong – Cheshire West and Chester Council

1. Report Summary

- 1.1. The purpose of this report is to provide a progress update in relation to the ICT Shared Service and Transactional Service Agreements and to introduce the presentation being provided to the committee by Ernst Young LLP on their findings on the optimum IT delivery model for the Councils.

2. Recommendation

- 2.1. The delay in finalising the Shared Services Agreements for ICT and Transactional services is noted due to the need to incorporate the outcomes of the jointly commissioned independent review by Ernst Young LLP (EY) which will reflect the optimum IT delivery model.
- 2.2. That the presentation from EY is noted and that following receipt of the final EY report in mid-October the Councils will work collaboratively to agree governance to take forward the recommendations for the future of the ICT shared service (and any subsequent impact on the shared transactional service) to ensure the optimum ICT delivery model can be implemented.
- 2.3. The Committee note that the shared services agreements dated 1 April 2016 continue to govern existing service provision until the revised agreements including agreed service catalogue, specifications, performance management and revised payment arrangements are in place.

3. Reasons for Recommendation

- 3.1. At SSJC on the 24 March 2017 the Committee noted that an independent and holistic ICT review supported by both Council was required to ensure ICT in its entirety enables both Councils to achieve their objectives.
- 3.2. At SSJC on the 19 May 2017 the committee noted that Ernst & Young LLP were to conduct the independent review to provide assurance and to determine the optimum alignment and IT delivery model to deliver both councils' future requirements. It was agreed that the outputs from the phases of work would be brought to this committee.
- 3.3. EY's presentation at committee will cover the outcomes of phase one:
 - Strategic priorities
 - Business requirements
 - Initial capability and maturity assessment
 - Leading practice comparisons
 - Initial recommendations.

The presentation will also cover the approach for phase two to produce:

- A Strategic ICT Blueprint
- A Target Operating Model Design for ICT
- An Outline Business Case

4. Background

- 4.1. Further background is set out in the committee update reports dated 24 March 2017 and 19 May 2017.
- 4.2. The initial time line for the EY milestones has slipped due to delays in appointment through the Bloom Framework.
- 4.3. The updated Shared Service Agreements for ICT including the target operating model, agreed service catalogue, specifications, performance management and revised payments is dependent on agreement to key performance outcomes and milestones which in turn need to be shaped by the EY review.
- 4.4. The Transactional Services Agreement is also on hold to reflect any changes in the ICT delivery model and the requirements of the Best4Business programme.

5. Wards Affected and Local Ward Members

- 5.1. All wards

6. Implications of Recommendation

- 6.1. **Policy Implications**

Any implications will be fully set out in the cabinet report.

6.2. Legal Implications

Legal will be fully involved in developing the revised agreements, governance approach and any subsequent appointments of specialist teams or third party contracts required for the transformational programme.

6.3. Financial Implications

The EY review cost were approved by Committee on the 21st March (£150K).

The financial implications of any changes following the outcome of the review will be fully set out in the cabinet reports.

Equality Implications

There are no equality implications

6.4. Rural Community Implications

There are no impacts on the rural community

6.5. Human Resources Implications

Any implications on Human Resources will be fully set out in the cabinet reports.

6.6. Health and Wellbeing Implications

There are no implications on Health and Wellbeing

6.7. Implications for Children and Young People

There are no implications of Children and Young People

6.8. Overview and Scrutiny Committee Implications

There are no specific impacts.

6.9. Other Implications

None

7. Risk Management

- 7.1. The delay in agreeing the revised ICT and Transactional Services Agreements is impacting on the transformational programme. However, it is necessary that the outcomes from the jointly commissioned EY Review can shape transformation programme in order to achieve the optimum future ICT model and maximise return on investment for both councils.

- 7.2. The new ICT and Transactional shared services agreements will also need to incorporate the recently finalised duties set out in the contractual arrangements for B4B with Agilisys.

8. Access to Information

- 8.1. Previous ICT update reports which set out the background are available publically.

9. Contact Information

Contact details for this report are as follows:

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CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICES JOINT COMMITTEE

Date of Meeting:	22 September 2017
Report of:	Mark Wynn, Director of Corporate Services, Cheshire West and Chester Council (Programme Sponsor)
Subject/Title:	Finance & HR System Replacement ("Best4Business") Programme

1.0 Report Summary

- 1.1 The purpose of this report is to update Members on the progress being made in procuring and implementing a replacement HR and Finance system for the Councils and their partners.

2.0 Decisions Requested

Members are asked to:

- 2.1 Note and endorse the work of the Finance & HR System Replacement Programme ("Best4Business") since the previous report to this Committee in March 2017 and the subsequent report to the Cabinet meeting of both Councils in July 2017.

3.0 Reasons for Recommendations

- 3.1 To allow Members to review and comment on progress made in completing a formal procurement exercise for the future Finance and HR systems and processes for the Councils and their partners.

4.0 Report Background

- 4.1 At the May 2016 meeting of this Committee, Members approved a programme of work to procure a new system or solution to replace the existing Finance and HR system. This report provides an update to the Committee regarding progress toward completion of this activity.

5.0 Procurement Process and Cabinet approvals

- 5.1 At the time of the previous report to this Committee, the procurement process had reached the "detailed dialogue" stage. Two of the four shortlisted bidders chose to withdraw from the process early in this stage, while a third had chosen to withdraw at the time of the last Committee report. This left Agilisys, offering the Unit 4 Business World solution, as the remaining bidder. Internal legal and

procurement professionals, supported by our external legal advisors Sharpe Pritchard, carried out a thorough review of options at that point, and concluded that the preferred option for the Councils was to proceed through detailed dialogue with the remaining bidder.

- 5.2 Dialogue closed in May 2017 following comprehensive discussions between the evaluation team and the remaining bidder regarding their proposed solution, their pricing model, and key commercial and legal terms. Agilisys' final tender was received in mid-May and was formally evaluated as a bid which provided the Council with a good standard of response supported by a good level of comprehensive evidence showing full understanding of the requirements and gives the Councils a reasonable level of confidence the Councils' requirements will be met.
- 5.3 Based on the pricing information in the final tender, the business case supporting this procurement was refreshed, and demonstrated that the implementation of a new HR and Finance solution would provide a pay back over an acceptable period of time.
- 5.4 In parallel to the dialogue and evaluation process, work began on a comprehensive Inter Authority Agreement (IAA) between the two Councils. The working arrangements between the two Councils in relation to the HR & Finance System contract are set out in this IAA, which will be entered into by both Councils prior to entering into the contracts with Agilisys. The IAA has been approved by both Council's legal teams, and covers the following areas:
 - Contract management and performance management
 - Cost sharing arrangements and cross indemnification
 - Decision making processes
 - Governance arrangements; and
 - Effect of termination of the contract(s) with the Supplier
- 5.5 A joint Scrutiny Working Group session was held on 27 June, involving members of both Councils' Overview & Scrutiny Committees, to review:
 - the rationale and business case for investment / change
 - the procurement process and final contract and proposal; and
 - the transformation programme required to deliver the change
- 5.6 Members were reassured by the rationale and business case for investment / change and all Members agreed that the option to do nothing was not appropriate. Members were also satisfied that the correct procurement process had been followed despite their only being one bidder. During discussions relating to the transformation programme, Members requested that they have further opportunity to scrutinise the implementation process of the new system.
- 5.7 A recommendation was brought to both Councils Cabinets, on 11 / 12 July 2017; to conditionally award the HR & Finance System contract to Agilisys. This recommendation was approved by both Cabinets.

- 5.8 Final contractual issues are being resolved at the time of reporting. In the meantime, pre-mobilisation workshops are taking place involving the Councils' implementation team and key members of the Agilisys team. This ensures the combined team will begin the implementation with a well-developed and shared understanding of the plan, roles and responsibilities, and critical deadlines for delivering and signing off programme outputs and outcomes.
- 5.9 This programme will succeed only if the change in technology solution is accompanied by a business transformation programme, to drive out changes in processes, cultures and behaviours, and to maximise the benefits which the new solution will offer. The Councils have determined that the business change aspect of the implementation programme will be retained as an Authority responsibility, supported appropriately by the supplier. A Business Transformation team has been established, which will take responsibility for delivery of this activity throughout the life of the programme. The team is actively engaging with key stakeholders across the two Councils, including the senior leadership teams, Council directorates, Council-owned alternative delivery vehicles, schools and academies.

6.0 Next steps

- 6.1 Detailed solution validation workshops are scheduled throughout September, with the output of these sessions forming an agreed joint Solution Design Document, which goes on to form the basis of the solution which will be built and implemented across both Councils and our related organisations, including schools, academies, Council companies, and the Cheshire Pension Fund. Joint governance arrangements will be in place, involving both Councils and our supplier, throughout this process. The Solution Design is scheduled for signoff by the Programme Board on 28 September 2017.
- 6.2 A single page overview of the implementation programme plan is attached at Appendix A to this report. Also, a pictorial overview of the 12 month timeline is attached at Appendix B.

7.0 Wards affected

- 7.1 None.

8.0 Policy implications

- 8.1 None.

9.0 Financial Implications

- 9.1 Over the 7 year primary contract period the total gross cost of the new system (including business change) is estimated at £20.9m. This comprises the pre-implementation costs of £1.4m, total implementation costs of £11.8m and average running costs of £1.1m pa for 7 years.

- 9.2 The new solution is projected to deliver total net annual savings of £2.3m pa from a combination of decommissioning legacy systems, business process change savings and after allowing for the running costs of the new solution.
- 9.3 The procurement phase of the Best4Business programme had a budget allocation of £1.4m across both Councils. The procurement and pre-implementation activities have been delivered well within this budget.

10.0 Legal Implications

- 10.1 The terms of the contract agreed during the dialogue process are based on the Model Services Contract from the Government Legal Service which is commonly used for large scale ICT projects. Prior to the commencement of the procurement the terms of the contract were amended to reflect the Councils' standard position in terms of risk transfer.
- 10.2 The competitive dialogue process has been conducted in accordance with the Public Contract Regulations 2015. The Councils internal legal teams and external legal advisers have participated in and been consulted throughout the competitive dialogue process with relevant matters being escalated where relevant to the programme board or elsewhere as necessary. Compliance of the procurement has been reviewed by Internal Audit.

11.0 Risk management

- 11.1 Programme risks are being identified and reported as necessary to the ERP Programme Board, through normal programme management mechanisms. The Board escalates any significant risks to the ERP Steering Group, as appropriate during the course of the programme.

12.0 Access to Information

- 12.1 The background papers relating to this report can be inspected by contacting the report writers:

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Cheshire West and Chester – Director of Corporate Services
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Background Documents:

Documents are available for inspection at:
Cheshire East Democratic Services
Westfields, Middlewich Road
Sandbach CW11 1HZ
or:

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

Appendix A

Best4Business programme plan overview

	2017					2018										
Months	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18
Stage	Mobilise	Mobilise/ Design	Design	Build	Build	Build	Build	Test	Test	Test	Test	Test	Test	Deploy	Deploy	Deploy
Key Milestones	MS04: Test strategy MS01: PID	MS03: Integration approach	MS02: Solution design			MS06: Training Strategy	MS05: Build Complete					MS07: UAT complete	MS08: Go live	MS09: Exit Hyper Care MS10: Decommission Oracle		
Programme	Governance															
	Planning	Gateway review	Gateway review				Gateway review						Gateway review		Gateway review	Close
Functional solution (Finance, I2C, P2P, HR, Payroll, Projects)	Workshop planning	Alignment workshops				IST preparation & set up		PPR preparation & set up		PPR1	Data entry	PPR2	Reg test	Go live		
		Solution design				Config docs					Confidence tests					
Technical services (Infrastructure, Interfaces, Data migration, Testing, Reporting, System admin)		Build plans				System build / unit testing		IST testing	UAT set-up	UAT testing			Cut over	Hyper Care		
		Infrastructure design														
		Build env ready				Pre-prod and prod environments ready										
		Interface design				Tranche 1 interface spec		Tranche 1 interface build	T1 Unit tested	T1 UAT						
		Biztalk for interfaces				Tranche 2 interface spec		Tranche 2 interface build	T2 Unit tested	T2 UAT						
		Legacy HRP data / Finance data mapping & extraction				IST data extract transform & load		Data Load 1	Load 2	Load 3						
		Data migration strategy & design				Build transformation & load routines										
		Test strategy	Test plans			Unit test scripts & prep		IST scripts & prep		UAT scripts & prep						
Business change (Training, Process re-design, Communications, Benefits, Handover)						End to end process mapping		Process change impact assessments			Cut over plan		Council support team training	Cut over test Readiness Check	Support & handover	
		Comms / change approach & plan				Training strategy & plan			UAT training Set-up	UAT Training		End user training Set-up	Pre go live user training	Post go live user training		
	Benefits approach	Benefits identification				Benefits analysis				Benefits development				Benefits tracking		

Appendix B
Best4Business timeline overview

