

OPEN

Corporate Policy Committee

27 November 2025

The Future Model for ICT: Retained Shared Service and Gemini Phase 2

Report of: Ashley Hughes – Executive Director Resources

Report Reference No: CPC/47/25-26

Ward(s) Affected: All

For Decision

Purpose of Report

- 1 This report provides an update on the progress of Phases 1 and 2 of the ICT Shared Services Programme (Gemini) and sets out recommendations for accelerating the separation of the retained shared hosting, security operations, and network services (the Retained Shared Service).
- 2 The aim is to move away from the shared service model by March 2026, enabling both councils to operate independent ICT services.

Executive Summary

- 3 Gemini Phase 1 successfully transitioned most ICT functions to separate operating models for Cheshire East and Cheshire West and Chester Councils, delivering significant financial and technical benefits.
- 4 Phase 2 focuses on decommissioning the shared data centre (Kelly House), migrating to cloud-hosted infrastructure, improving security, and implementing separate networks.
- 5 The report recommends completing Gemini Phase 2 by March 2026, ahead of the original schedule of March 2027, to maximize efficiencies and financial savings, with the ultimate separation of the Retained Shared Service by the end of March 2026. This will be subject to consultation, and the programme coming to a controlled end by July 2026.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Approve a move away from the Retained Shared Service model by March 2026 via the delivery of Gemini Phase 2.
2. Approve the ultimate disaggregation of the Retained Shared Service for ICT, subject to consultation with Trade Unions and staff.

Background

- 6 Cheshire West and Chester and Cheshire East Councils previously operated a shared ICT service.
- 7 In February 2023, both councils agreed to separate most ICT functions, retaining only hosting, security, and networks as shared services.
- 8 The Gemini Programme was launched to manage this transition, with Phase 1 focusing on technical migration and staff transition, and Phase 2 addressing the future of shared infrastructure and services.

9 **Gemini Programme Overview**

10 **Phase 1 (May 2023 – Oct 2025)**

- 11 Purpose: Transform shared ICT service between Cheshire East and Cheshire West & Chester Councils into a hybrid model.

12 **Key Achievements:**

- (a) Simplified ICT architecture and defined future technical frameworks.
- (b) Built and migrated Cheshire West to a new Microsoft 365 tenant (3,000+ users); Cheshire East retained its existing tenant with modern design principles to reduce cost.
- (c) Workforce transition plan agreed with HR and unions; completion due Oct 2025.
- (d) Strong governance, planning, and cost control led to over-delivery of benefits.

13 **Phase 2 (Aug 2024 – Accelerated to Mar 2026)**

- 14 Objective: Modernise ICT infrastructure and separate retained shared services.

15 **Key Initiatives:**

- (a) Migrated virtual machines to private cloud (AVS); Kelly House datacentre decommissioning underway.
- (b) Enhanced security posture via **Security Operations Centre** and **Zero Trust** projects (completion by Oct 2025).
- (c) Implementing **SD-WAN** to replace MPLS; new Virgin Media contract awarded, avoiding 40% cost increase.
- (d) Enables separation of hosting, network, and security teams into respective council ICT services.
- (e) Accelerated timeline: Programme could conclude by July 2026, with full separation by March 2026.

Consultation and Engagement

- 16 The Gemini Programme has involved consultation with Trade Unions, staff, and partners throughout both phases.
- 17 Positive feedback was received from Trade Unions regarding the HR approach in Phase 1.
- 18 The MPLS Wide Area Network contract includes service provision for partners such as Cheshire Police, Fire and Rescue Services. The new technology services will support strategic engagement with partners.

Reasons for Recommendations

- 19 Advances in technology and council objectives make the shared data centre and network model obsolete.
- 20 Cloud migration and new network contracts provide more efficient, flexible, and cost-effective ICT services.
- 21 Financial benefits: Cost avoidance of previous years overspends of approximately £1.47m for Cheshire East by end of 2025/26.

Other Options Considered

- 22 When evaluating the future of the Retained Shared Service for ICT, two main options were considered:
 - 1. Complete Gemini Phase 2 in 2027.
 - Maintains business continuity with minimal immediate change.
 - Prolongs reliance on legacy technology and contractors, increasing costs and delaying efficiencies.

- Extends uncertainty for staff and risks contract misalignment.
2. Complete Gemini Phase 2 in 2026 (Recommended).
- Accelerates cost savings and transition to modern technologies.
 - Aligns staff with council services and enables earlier operational benefits.
 - Requires careful management of change and staff support due to the faster timeline.

Summary Table

Option	Impact	Risk
Complete Gemini Phase 2 in 2027	Ensures business continuity with minimal change.	Extends legacy technology delivery, increases reliance on contractors and costs.
Complete Gemini Phase 2 in 2026 (Recommended)	Reduces costs, aligns staff with council services, completes migration to modern technologies.	Delivers additional change at pace following Phase 1.

3. Rationale for Recommendation:

Completing Gemini Phase 2 in 2026 is recommended because it offers accelerated financial and operational benefits, supports modern technology goals, and helps the council deliver efficient, flexible ICT services. Any risks from the faster timeline can be managed with strong planning and staff support.

Implications and Comments

Monitoring Officer/Legal/Governance

- 23 Legal Services will prepare contractual and legal documentation for disaggregation.
- 24 The process will comply with the Shared Services Administrative Agreement and TUPE regulations as necessary.

Section 151 Officer/Finance

- 25 Kelly House running costs: approximately £475k/year, split between councils.

- 26 Significant joint contract savings would be achievable once ICT vacate the site, contracts are ended, and the site is either mothballed or sublet. Holding costs are expected to reduce to no more than £200k once vacated and could be reduced below this level should it be possible to dispose of the Council's interests before the current lease expires in 2033.
- 27 These savings will offset costs of new SD WAN and Security Operations contracts.
- 28 Phase 2 separation will be managed within current budgetary resource.

Human Resources

- 29 Staff transition will follow the HR approach from Phase 1, with consultation and support provided.
- 30 Liabilities relating to workforce disaggregation will be shared between councils.

Risk Management

- 31 Risks include contractor exit, contract alignment, joint financial liability and staff uncertainty.
- 32 Mitigation: Continuous review, detailed contract and financial management, and HR support.

Impact on other Committees

- 33 The recommendations may impact committees overseeing ICT, finance, and strategic partnerships.

Policy

- 34 Supports Borough Plan missions and priorities, enabling modern, flexible service delivery and collaboration with partners.

Unlocking prosperity for all	Improving health and wellbeing	An effective and enabling council
By modernising ICT infrastructure and moving to cloud-hosted services, the council can deliver more efficient and cost-effective services, freeing up resources to invest in community priorities and supporting economic	Enhanced digital services and secure, resilient infrastructure enable better access to council services for all residents, including vulnerable groups, supporting improved health and wellbeing outcomes.	Accelerating Gemini Phase 2 delivers financial savings, operational efficiencies, and modern technology, enabling the council to be more responsive, flexible, and collaborative in delivering

growth across the borough.		services and working with partners.
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Equality, Diversity and Inclusion

- 35 Cloud migration enables equal access to services for all residents.
- 36 New contracts include social value clauses to improve access in deprived areas.

Other Implications

- 37 Climate change: Cloud data centres are more energy efficient, reducing the council's climate impact.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	07/11/25	10/11/25
Kevin O'Keefe	Interim Monitoring Officer	07/11/25	10/11/25
<i>Legal and Finance</i>			
Adrian Leslie	Principal Lawyer	28/10/25	07/11/25
Alison Pease	Principal Accountant (Lead Business Partner)	28/10/25	30/10/25
David Worrall	HR Business Partner (Children's,	28/10/25	07/11/25

	Adult, Place and Corporate)		
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Access to Information

Contact Officer:	Gareth Pawlett Director of Digital Services Email: Gareth.pawlett@cheshireeast.gov.uk
Appendices:	None.
Background Papers:	Programme Gemini Update Agenda Supplement for Shared Services Joint Committee, 27/06/2025