

Minutes of a meeting of the **Shared Services Joint Committee**
held on Friday 28th June 2013 at Committee Room 1 - Wyvern House,
The Drummer, Winsford, CW7 1AH

PRESENT

Councillor D Brown (Chairman)
Councillor L Ford (Vice-Chairman)

Councillors B Moran, P Raynes, L Jones and L Riley

Officers

Cheshire East Council

Vivienne Quayle, Head of Commercial Strategy, Business Innovation and Performance,

Julie Openshaw, Legal Team Leader

Duncan Whitehead, Graduate Management Trainee

Rachel Graves, Democratic Services Officer

Cheshire West and Chester Council

Mark Wynn, Head of Finance

Sam Brousas, Head of Human Resources

Meric Sullivan-Gould, Interim Head of Legal and Democratic Services

Sharon Barclay, Project Manager Transformation

1 APPOINTMENT OF CHAIRMAN

It was moved and seconded that Councillor D Brown be appointed as Chairman for the 2013 -14 Municipal Year.

RESOLVED:

That Councillor David Brown be appointed as Chairman for the 2013-14 Municipal Year.

2 APPOINTMENT OF VICE CHAIRMAN

It was moved and seconded that Councillor L Ford be appointed as Vice Chairman for the 2013 -14 Municipal Year.

RESOLVED:

That Councillor Les Ford be appointed as Vice Chairman for the 2013 -14 Municipal Year.

3 APOLOGIES FOR ABSENCE

There were no apologies for absence.

4 DECLARATIONS OF INTEREST

No Declarations of Interest were made.

5 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 26 April 2013 be approved as a correct record and signed by the Chairman.

6 PUBLIC SPEAKING TIME/OPEN SESSION

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

7 OCCUPATIONAL HEALTH UNIT: SERVICE REVIEW

Consideration was given to a report which summarised the conclusions of a review of the Occupational Health Shared Service.

The Occupational Health Unit (OHU) was initially considered as part of the proposed ICT/HR and Finance Single Legal Entity but was removed from the in scope services as it was not felt to be sufficiently commercial in practice.

A review was commissioned to help provide renewed direction for the OHU and to identify how it could improve commercially. A strategic options appraisal identified six options for future delivery of the service:

- Improved As Is
- Lean Model
- Outsource
- Disaggregate
- Direct Service Organisation
- Separate Legal Entity

It was recommended that the Service be taken forward in two stages, with the option 'Improved As Is' being selected first as this would allow the OHU to continue to approve and develop its performance and commercialise its operations in order to ensure that future conversion into a company was feasible. This option paved the way for the second stage and the establishment of the OHU as a commercial company. A further report would be brought to the Joint Committee in January 2014 recommending an appropriate commercial vehicle for the services, including the potential of out-sourcing, integration into the proposed Single Legal Entity or the conversion of the service into a Council owned company.

RESOLVED:

That the future delivery of the Occupational Health Unit be taken forward in two stages, firstly to continue to improve the in-house service so that it is in the best possible shape for commercialisation and at that stage to then place it in an appropriate delivery vehicle.

8 SHARED SERVICES PERFORMANCE OUTTURN 2012-13 AND BUSINESS PLAN REVIEW 2013-16

Consideration was given to a report which provided a summary of the outturn position for the remaining shared services, including both financial and non-financial performance.

The report detailed the performance for the remaining long term shared services:

- HR and Finance
- ICT
- Farm Estate
- Emergency Planning
- Occupational Health
- Archives
- Libraries Specialist Support
- Rural Touring network
- Archaeology Planning Advisory Service

A summary of performance for each of these services was contained in Appendix 1 to the Report, which was based on key achievements for the year, performance against budget and national and local indicators as set out in the Shared Services Business Plan for the period. It was noted that of the nine services, three were rated as Green (performing well) and the remaining six were rated as Amber (mixed performance).

In terms of financial performance, the final outturn position for Shared Services was an underspend of £933,000. This was a much improved position on the ¾ year review when an £656,000 overspend was anticipated. This change can primarily be put down to a significant improvement in the ICT Shared Services who had delivered an underspend for the first time in 4 years.

It was noted that funding had been secured to carry out an options appraisal/feasibility study for the Archive Services accommodation and the Joint Committee requested that an update report be brought to the next meeting on the feasibility study.

RESOLVED: That

- (1) the Shared Services outturn performance for 2012-13 and summary business plans for 2012-16 be noted.

- (2) an update report on the Archive Services feasibility study be brought to the next meeting.

9 FUTURE PROOFING THE SHARED SERVICE GOVERNANCE MODEL

Consideration was given to a report which detailed the governance model for future delivery of Shared Services.

Since April 2009 when the governance arrangements had been agreed, the number of Shared Services had reduced to 32 to 8 – these being:

- ICT
- HR and Finance
- Occupational Health
- Libraries Support Services
- Archives and Local Studies
- Emergency Planning
- Farm Estates
- Rural Touring Arts

Alternative governance arrangements had been suggested for Emergency Planning and Rural Touring Arts.

The Emergency Planning Shared Service fell under the remit of the Joint Emergency Planning Liaison Board as well as the Joint Committee; therefore the governance of the service was duplicated. There had been little requirement for the Joint Officer Board to be involved in operational issues and it was therefore proposed that the governance of this shared service be transferred to the Joint Emergency Planning Liaison Board.

The Rural Touring Arts Shared Service was totally grant funded and consisted of two FTE staff employed by Cheshire West and Chester Council. The Shared Services Joint Committee had not been asked to consider any operational issues other than the Business Plan. It was considered that this should cease as a shared service and become a service provided by Cheshire West and Chester to Cheshire East under an appropriate Service Level Agreement.

Due to the anticipated reduction in work, it was proposed that the number of meetings scheduled for the Shared Services Joint Committee be reduced to five per annum in future years. The work of the Joint Officer Board was also likely to reduce and it was proposed that its frequency of meetings be reduced to monthly and its terms of reference amended accordingly.

The introduction of the SLE Executive Board and SLE Programme Board to oversee the transition of the ICT and HR & Finance Shared Services to a separate legal entity, there was a requirement to add these as temporary additions to the governance structure.

The SLE Executive Board would meet monthly and had been scheduled to meet before the Joint Committee. Formal terms of reference for the Board were being drafted. This would be a task and finish group as once the SLE was established it would be replaced by a Shareholder Board.

The SLE Programme Board would be responsible for the delivery of the SLE. The formal terms of reference were being drafted. It was envisaged that the Programme Board would meet fortnightly and report monthly to the Executive Board. This was also a task and finish group as once the SLE was established the company's Executive Board would take responsibility for the strategic business planning and operation delivery.

The key to ensuring that issues were dealt with at appropriate body was a more discipline approach to business decision making and a forward plan of business was to be introduced to ensure that decisions were made at the right time at the right forum.

RESOLVED: That

- (1) the governance arrangements for Emergency Planning be transferred to the Joint Emergency Planning Liaison Board.
- (2) the Rural Touring Arts service be provided by Cheshire West and Chester Council under a Service Level agreement to Cheshire East Council.
- (3) The Shared Services Governance Structure be amended to include:
 - (i) the temporary inclusion of the SLE Executive Board and Programme Board until such times as the ICT and HR and Finance Single Legal Entity had been delivered.
 - (ii) the formalisation of the Terms of Reference for the SLE Executive Board and Programme Board.
 - (iii) the revision of Joint Officer Board Terms of Reference to remove the Client Board and to more accurately reflect the membership of the Programme Board.
 - (iv) the introduction of a Forward Plan for Shared Services business to ensure that decisions are made at the right time at the right forum.

10 SINGLE LEGAL ENTITY PROGRAMME UPDATE

Consideration was given to a report which detailed the work being undertaken to deliver a Separate Legal Entity for the ICT and HR and Finance Shared Services.

Work was underway to move ICT and HR and Financial Shared Services to Shadow SLE mode from 1 October 2013 before becoming a fully fledged company on 1 April 2014.

An overall budget of £645,000 had been allocated and it was anticipated that this would be used to fund the appointment of key personnel including a Managing Director and Communications resource and also for the Oracle build.

An Executive Board had been established to provide robust governance and its membership included the Chairman and Vice Chairman of the Shared Services Joint Committee. An officer Programme Board was up and running under the management of the joint Senior Responsible Owners tasked with managing overall project delivery. A detailed Programme Plan was being developed to provide a route map to delivering the SLE.

RESOLVED:

That the progress on the development of the Separate Legal Entity for ICT and HR & Financial Services be noted.

The meeting commenced at 2.00 pm and concluded at 3.05 pm

Councillor D Brown (Chairman)