

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICE JOINT COMMITTEE

Date of Meeting: 02 October 2015

Report of: Cheshire East – Chief Operating Officer
Cheshire West and Chester – Head of Finance

Subject/Title: Review of Remaining Shared Services and Joint
Committee Work Plan 2015-16

1.0 Report Summary

- 1.1 At 1st April 2009, Cheshire East Council (CE) and Cheshire West and Chester Council (CWaC) continued to share 32 services post LGR. These arrangements were set out in formal legal agreements supported by a robust governance framework which has overseen the majority of the shared services transition to alternative models of delivery.
- 1.2 Currently just seven Shared Services remain and it is therefore timely to re-examine these arrangements to ascertain if they remain appropriate to the ambitions of both partners going forward and to ensure that the supporting governance arrangements continue to meet future needs. This report outlines the direction of travel for the remaining shared services and provides a work plan for the current year.

2.0 Decision Requested

- 2.1 That the recommendations for each of the remaining shared services as set out in Paragraph 11.1, Table 1 be approved, and:
- 2.2 That the Shared Services Joint Committee Work Plan 2015-16 be noted.

3.0 Reasons for Recommendations

- 3.1 The overall Shared Service operation between CE and CWaC has reduced considerably since their inception. A review has been undertaken by the Joint Officer Board (JOB) who have assessed the ongoing direction of travel for those that remain and this suggests that there will be further reduction in shared arrangements over the next 12 months.
- 3.2 The work of the Joint Committee to date has been fundamental to the safe transition of 25 shared services to alternative delivery arrangements since their inception on 01.04.09. and they will continue to monitor performance of the remaining shared services and guide strategic decisions in the year ahead. However the level of business has reduced and therefore it is timely to review ongoing activity and to plan this accordingly to ensure that future meetings are productive and timely decisions are achieved.

4.0 Wards Affected

- 4.1 This report relates to Shared Services that operate across both CE and CWAC so all wards are affected in both Councils.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including

- 6.1 None.

7.0 Financial Implications

- 7.1 Each Council allocates funds to the shared services in line with individual Shared Service Agreements as noted in Appendix 1. A robust approach to regular budget challenge has been applied over the past five years to ensure that efficiencies have been secured comparable to those achieved in each authority. Regular financial monitoring is embedded in the approach to performance management.
- 7.2 Support to the Shared Service operation (governance, financial, legal etc.) is shared between the two Councils and subsumed within existing resources (i.e. no dedicated resource). It is anticipated that if the recommendations outlined in this report are agreed this arrangement will continue for the foreseeable future and that no further costs will be incurred. However if there was any intention of expanding the current operation some additional resources may be required.
- 7.3 The Work Plan reflects ongoing review activity some of which is likely to have financial implications for both Council's going forward e.g. a requirement for capital funding, awarding of external contracts. It is important that such decisions are aligned to each Council's financial and budget setting procedures to ensure that the appropriate funding is secured and delivery of the required outcome is not compromised.

8.0 Legal Implications

- 8.1 The Shared Services Administrative Agreement sets out the overall arrangements in relation to the manner in which authorities will work together. Shared Service Agreements, Secondment Agreements and Transfer Agreements set out the mechanisms by which individual Shared Services operate.

9.0 Risk Management

- 9.1 There is a risk that if the Work Plan for the Joint Committee is not aligned with the Councils' own work programmes (e.g. budget setting) the Joint Committee will be unable to agree recommendations regarding Shared Service activity which could delay or prevent key areas of activity being progressed.

- 9.2 The JOB maintains and regularly monitors the strategic risks associated with the Shared Services operation. (Shared Service managers are tasked with maintaining operational risks.) This includes risks regarding strategic direction, governance arrangements and dedicated resources. These will be reviewed in light of the anticipated discussion arising from this report and an updated risk register will be presented to the Committee as part of the mid year performance report.

10.0 Background and Options

- 10.1 The Local Government Review (LGR) of Cheshire saw the dissolution on seven district Councils and one County Council to be replaced by two new unitary authorities – Cheshire East (CE) and Cheshire West and Chester (CWAC). In undertaking this change process there were sound business reasons to continue to deliver some services jointly whilst in other areas there was just insufficient time to disaggregate the activity ahead of vesting day.
- 10.2 At 1st April 2015 just seven Shared Services remain. All of these are hosted by CWAC with the exception of the Farms Estate (Management) Shared Service which is hosted by CE.
- 10.3 A Joint Committee and Joint Officer Board (JOB) provide a robust governance framework for both strategic and operational activity of the remaining Shared Services although it is anticipated that the level of business will reduce drastically once ongoing activity around the CoSocius service review programme has been completed.
- 10.4 Regular performance reporting is embedded and aims to provide reassurance that the sharing arrangements are delivering to plan and meeting the needs of both clients. However it is evident that the client Councils are looking for more efficient and innovative ways of delivering services and in some cases current sharing arrangements could be perceived to be hampering such developments.
- 10.5 Appendix 1 provides an overview of the remaining shared services including an indication of their performance over the past five years. It also provides a current position statement on key activities including:
- The Cheshire Archives and Local Studies relocation project aimed at addressing long term accommodation issues and improving outreach services across Cheshire communities
 - A further review of the Occupational Health Unit to assess its ongoing viability against increasing budget pressures and consequential impact service delivery
 - Implementation of outcomes arising from a review of the Archaeology Planning Advisory Services (APAS) including further exploration of alternative delivery models and increased income generation.
- 10.6 The JOB and the Joint Committee have met regularly over the past 12 months to oversee Shared Service business although this has predominantly focused on issues relating to CoSocius, the company formed from the former ICT and HR and Finance Shared Services which went live in April / May 2014. This

situation is set to continue into 2015/16 owing to ongoing service review activity between both Councils and the Company.

11 Review of Remaining Shared Services

11.1 As already noted review activity is common place across the Shared Services to ensure that the service and delivery model remain fit for purpose and continue to meet the needs of both Councils. A recent assessment of the remaining shared service has been undertaken which considers:

- the current arrangements and requirements for the future
- A high level evaluation of potential options for alternative delivery models

Recommendations in each case are provided in the table below with full details contained in Appendix 1.

Table 1

REF	SERVICE	HOST	RECOMMENDATION
A03	Farms Estate	CE	That this remain “as is” until 2016 when the position will be reviewed against progress on the implementation of CEC and CWAC’s strategies for the Farms Estates.
A04	Civil Protection and Emergency Planning	CWAC	That this remain “as is” but in the event of broader shared service arrangements being replaced consideration should be given to formally constituting the JEPLB as the governing body.
A05	Occupational Health	CWAC	That the review to assess the ongoing viability of the Unit be undertaken and fully informed by both clients ongoing requirements to enable the future direction of travel to be determined.
A06	Archives and Local Studies (APAS)	CWAC	That this continues “as is” until the future premises issue is clear but consideration be given to completing the agreed staff transfer to address inequalities in terms and conditions of employment.
A08	Libraries Specialist Support	CWAC (Transfer)	That the formal LSS arrangements be dissolved in favour of a renewable Service Level Agreement between CWaC (the provider) and CEC (the Client) subject to formal Transitional Procedures being satisfied.
A14	Rural Touring Arts Network	CWAC	That this continue “as is” until the impact of CWaC potential alternative service delivery vehicle and its impact on CE are fully understood.
B14	Archaeology Planning and Advisory Service	CWAC (Transfer)	Develop in consultation (CWAC and CE) a revised arrangement (shared or otherwise) for the provision of Archaeological planning advice and management of the HERS before 01.04.2016

11.2 In each case the original reason for these becoming a shared service remains in that there are no real business benefits to be gained from splitting the function. As the Councils have matured service requirements in these areas have largely stayed the same but where these have diversified (e.g. Cheshire Farms Estate) the Shared Service has been able to continue to meet the needs of both clients.

11.3 All Shared Services are subject to regular performance monitoring by the JOB and Joint Committee and a robust approach to budget challenge has been adopted to ensure that they deliver efficiencies.

- 11.4 Hosting arrangements for Shared Services have generally worked well primarily due to the strong governance framework supporting the overall shared operation. In the event of issues arising these have been successfully resolved by the Joint Officer Board to the satisfaction of all parties. The key issue is to ensure that both Councils remain aware of where shared arrangements apply and are mindful of the impact of any independent developments in these areas.
- 11.5 The Secondment Agreements for staff employed in the Shared Services have been more problematic particularly as the Terms and Conditions of the two Councils have diversified. In some cases these have been resolved by TUPE transferring non host employees to the host authority thereby putting all staff on the same T & Cs. However where this has not happened there is a risk of increased discontent from employees doing similar jobs but receiving differing reward packages.

12 Shared Service Governance and Work Plan 2015-16

- 12.1 The Shared Services Joint Committee is the executive decision making body for the formal shared service arrangements between CE and CWaC. As such it has responsibility for overseeing the management of the shared services, ensuring the effective delivery of these and providing strategic direction. The Joint Committee is supported by the Joint Officer Board.
- 12.2 The membership of the Joint Committee is made up of three Executive members from each authority and this has largely remained stable since April 2009. However as a result of the recent local elections the membership has fundamentally changed with a total of five new members.
- 12.3 Since its inception the Joint Committee has dealt with a range of strategic and operational issues concerning the sharing arrangements e.g.
- Transitioning 23 shared services to alternative delivery arrangements
 - Overseeing the development and launch of CoSocius
 - Agreeing staffing arrangements e.g. transfers, VRs etc.
 - Agreeing Business Plans and monitoring financial and non financial performance
- 12.4 Initially the level of business demanded more meetings than might be expected in an annual committee cycle and therefore a good degree of flexibility was required on behalf of Members to get this through due process. For the past three years meetings have been scheduled monthly although in practice some have been cancelled due to lack of business.
- 12.5 In anticipation of the changes to the Joint Committee, the Joint Officer Board have reviewed business likely to be considered in the forthcoming year and scheduled this in Appendix 2. This is based on what is currently known and as such provides an indication of the decisions likely to come before the Joint Committee between now and May 2016 although this is subject to change.
- 12.6 The purpose of sharing the Work Plan is to ensure that Members have early sight of likely Joint Committee business so they can indicate whether any

further background information / briefing / discussion is required in the run up to the meetings to bring them up to speed with current issues and to enable fully informed decisions to be made at the required point. A discussion at this stage will also be helpful in ascertaining if sufficient meetings have been scheduled.

13 Conclusion

- 13.1 Overall the Shared Service arrangements between CE and CWaC have worked well but given the reduction in the overall scale of the operation it is timely to review those that remain. This exercise suggests that a further reduction will be achieved in the next 12 months. In this event it is likely that the current governance arrangements will be onerous in terms of the remaining shared and could potentially be terminate at a time to be agreed by both partners. However should the Councils be looking to extend sharing arrangements anytime in the future they can be assured that the existing governance arrangements are tried and tested and have served both parties well.

14 Access to Information

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

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Documents are available for inspection at:

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