

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

SHARED SERVICE JOINT COMMITTEE

Date of Meeting: 27 November 2015
Report of: Cheshire East – Chief Operating Officer
Cheshire West and Chester – Head of Finance
Subject/Title: Shared Services Mid-Year Performance 2015-16

1.0 Report Summary

- 1.1 This report provides a summary of the mid year position for the remaining Shared Services, including both financial and non-financial performance.
- 1.2 In terms of overall performance, this report indicates that the majority of Shared Services continue to deliver to plan under the sharing arrangements between Cheshire East Council (CE) and Cheshire West and Chester Council (CWAC) at the mid year point with five of the Services rated as “Green” and two rated “Amber”. This suggests slightly deteriorating performance on that reported at Outturn 2014-15 but reflects the mid year point of that period.
- 1.3 The aggregated overspend across shared services is predominantly attributed to the Occupational Health Unit. Resolution of this situation is currently being explored.
- 1.4 An overview of overall mid year performance for 2014/15 is contained in Appendix 1 with a detailed financial appraisal contained in Appendix 2.

2.0 Decision Requested

- 2.1 Recommended that:
 - i the Shared Services mid year performance for 2015 -16 be noted;
 - ii revisions to the Shared Services Strategic Risk Register be noted.

3.0 Reasons for Recommendations

- 3.1 The Shared Services Administrative Agreement makes provision for the Joint Committee to receive outturn reports based on the information and measures contained in Shared Service Business Plans.
- 3.2 The Shared Services Performance Management Framework (PMF) has been developed over the past six years. As it stands it provides a good degree of rigour to regular business planning and performance monitoring with detailed reports being produced at mid year and outturn and provides ongoing

assurance that services are planned and delivered to achieve stated objectives. However if performance issues do arise during an intervening period these will be reported to the Joint Committee on an exceptions basis.

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 In 2013 three year business plans were produced for all remaining shared services to cover the period 2013 to 2016. Summaries of these plans were noted by the Joint Committee in June 2013. These have since been subject to annual review to ensure that they remain relevant and continue to meet the changing needs of each client.
- 7.2 At the 2015-16 mid point Shared Services are reporting an aggregated overspend of £44k. High level details of this position are provided below with a full breakdown of the financial position reported in paragraphs 11 to 16 with further details contained in Appendices 1 and 2.

Table 1

2015-16	Mid Year review Projected Outturn £000	Budget £000	Variance -Under / Over £000
East cost	519	492	27
West cost	541	524	17
Total Cost	1,060	1,016	44

- 7.3 **Cheshire East** - Within CE, at Mid-Year review there is a total projected overspend of £27k which relates mainly to the forecast overspends within Occupational Health (£23k) and Emergency Planning (£4k).
- 7.4 **Cheshire West and Chester** - The overall projected outturn as at Mid-Year review is £17k overspend. As with Cheshire East, there is a forecast overspend within Occupational Health (£24k) and a small overspend forecast in Emergency Planning (£1k). Within Farms there is a forecast underspend of £8k.

7.5 This position will continue to be monitored and a further report will be prepared to confirm the Outturn position in due course.

7.6 In the interim the Joint Officer Board have undertaken a joint budget challenge to ensure that all Shared Services continue to explore efficiency options that benefit both authorities and help to mitigate potential budget issues arising in future years.

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 and Secondment Agreements set out the mechanisms by which individual Shared Services operate.

8.2 As Shared Service arrangements have matured revised arrangements have been put in place in some areas (e.g. APAS and Libraries SS). Most recently this involved CE employees in the Archives and Local Studies Shared Service transferring to CWaC under TUPE regulations with effect from 01.10.15.

9.0 Risk Management

9.1 The Shared Services Business Planning process requires that all Managers undertake a risk assessment in developing business plans. These were reviewed when three year business plans were developed for the period 2013-16. These business plans were reviewed at the start of the year to ensure that the risks remain relevant to ongoing service delivery. No new risks were identified at this point.

9.2 The Joint Officer Board maintain a strategic risk register for the shared service operation. This has recently been reviewed and updated to take account of recent changes particularly those that anticipate former shared services being brought back in-house. The details of this review are contained in Appendix 3.

10.0 Background and Options

10.1 All Shared Services are underpinned by formal legal arrangements and business plans providing details of the Shared Service operation, objectives and investment. These require a degree of flexibility to enable an appropriate response to the changing needs of each council. Business Plans for 2013-16 set out the measures by which the Shared Services' performance has been assessed.

10.3 This report provides an overview of Shared Services performance and finances for 2015-16 at the mid year point.

11.0 Shared Services Mid Year Performance 2015-16

11.1 This report summarises the current forecast outturn position at Mid-Year review for the current formal Shared Services for 2015-16 (based on end of September)..

11.2 At this Mid-Year point, there are seven Shared Services (six CWAC-hosted, one CE-hosted). Four are shared services where total costs are split against an agreed % cost share agreement as set out in formative Legal Agreements:

- Farms
- Occupational Health Unit (OHU)
- Archives
- Civil Protection – Emergency Planning

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

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

11.3 Table 2 below provides headline indicator for overall performance for each of the above. This is based on progress to date against service objectives, performance against budget and performance indicators as set out in Shared Service Business Plans 2015-16. Current performance is set against historic performance to provide an indication of direction of travel for each shared service.

11.4 An assessment of improvement against baseline performance (where available) and targets, has been made to provide an indication of the direction of travel for each indicator. A RAG rating (Red / Amber / Green) has been applied to provide a judgement of overall performance based on these two elements. This suggests that:

- 5 services are rated as Green (performing well)
- 2 services are rated as Amber (mixed performance)
- 0 services are rated as Red (poor performance)

Table 2

SERVICE		Overall Rating 2012-13	Overall Rating 2013-14	Overall Rating 2014-15	Mid year Rating 2015-16
A03	Farms Estate	G	A	G	G
A04	Emergency Planning	A	G	G	A
A05	Occupational Health Unit	A	A	A	A
A06	Archives and Local Studies	A	G	G	G
A08	Libraries Specialist Support	A	G	G	G
A14	Rural Touring Arts	G	G	G	G
B14	Archaeology Planning Advisory Service	A	G	G	G

11.5 A detailed summary of current performance for each of the above is contained in Appendix 1 and Appendix 2 with a brief summary provided below.

12.0 Farms Estate Mid Year Budget Position: £8k underspend

- 12.1 The focus for this Shared Service is the “management” of the Farms Estates which follows the individual strategies of each Council as approved in late 2011 / early 2012. The Service budget has been realigned accordingly and this is currently forecasting a small underspend through over achievement of income. Effort in CE is currently focused on estate reorganisation whereas in CWaC the focus is on completing existing and progressing new disposals.

13.0 Emergency Planning Mid Year Budget Position: £5k over

- 13.1 The Service continues to perform well and has co-ordinated the response to 14 incidents (8 in CE and 6 in CWaC) since April 2015 including 5 Major Incidents and 2 Major Incident Standbys. The team has been heavily involved in the Cheshire East Council response to the Bosley Wood Flour Mill Major Incident and will continue to be so over the next 12 months. This work will continue to have an impact on the delivery of the Service’s Business Plan in 2015-16. The service is currently forecasting an over-spend of £5k

14.0 Occupational Health Mid Year Budget Position: £48k over

- 14.1 The performance of the OHU continues to fluctuate due to loss of income and its ability to retain staff and consequently this is affecting the resilience of the Unit and ongoing service delivery. The overspend is attributed to a reduction in buyback of services from schools and the loss of external contracts. The Joint Committee have recently agreed to a joint procurement exercise with Warrington Borough Council to explore the potential for external provision.

15.0 Archives and Local Studies Mid Year Budget Position: Balanced

- 15.1 Service delivery is on target and work continues on the Accommodation project and developing funding bids to support this objective. Other key projects including off-site storage and further digitisation of records are being progressed. The National Archives Accreditation was submitted in the summer and a validation visit took place in October and it is anticipated that a report will be issued in November 2015. The transfer of CE employees to CWaC has been completed. The service is forecasting an overall balanced budget for outturn.

16.0 Joint Arrangement services

All of the Joint Arrangement (shared) services (Libraries SS, APAS and RTA) are projecting a balanced budget at the mid year point.

- 16.1 The Libraries Shared Service continues to focus on the implementation and bedding in of new management systems in both front line libraries and the Education Library Service. It is anticipated that these, together with staff restructuring, will deliver further efficiency savings to both Councils in the longer term.

- 16.2 The Rural Touring Arts Network is delivering to plan with audience ratings and efforts to increase promotional activity via social media already above target. The financial position is balanced.
- 16.3 The Archaeology Planning Advisory Service continues to deliver services with performance currently exceeding expectations. It is about to embark on the second phase of a fundamental review looking at the potential for alternative delivery models. It is anticipated that this work will be finalised early in the new year with any revised arrangements being effected from 1 April 2016.

17 Conclusion

- 17.1 The purpose of this report is to provide reassurance that the Shared Service arrangements between CE and CWAC councils continue to perform in line with stated plans.
- 17.2 The overall approach to performance management is embedded across the remaining Shared Services and is appropriate to current needs. However this will need to be revisited once services currently provided by CoSocius revert to Shared Service governance arrangements post April 2016.
- 17.3` Work on developing the next round of four year Business Plans will commence shortly and these will cover the period April 2016 to March 2020.
- 17.4 At this point the Shared Services mid year performance is slightly below that reported at outturn 2014-15 although it is on a par with that reported at mid year point. If in-year budgetary issues can be addressed it is anticipated that the overall position can be improved by outturn.

18 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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