

CHESHIRE EAST COUNCIL CHESHIRE WEST & CHESTER COUNCIL

REPORT TO: SHARED SERVICE JOINT COMMITTEE

Date of Meeting: 19 May 2017

Report of: Mark Wynn – Director of Finance (West)

Subject/Title: Transactional Service Centre – Progress Report

1.0 Report Summary

- 1.1 This report provides a brief update regarding the development of the Transactional Service Centre (TSC) following the decision of the Committee on 24 March 2017 to support a new Shared Services Agreement for the delivery and transformation of HR and Finance services to 31 March 2019, aligned to the timescales for the procurement and implementation of the replacement ERP system.

2.0 Decisions Requested

Members are asked to:

- 2.1 Note and endorse the progress made by the service in delivering its key objectives.

3.0 Reasons for Recommendations

- 3.1 To enable the continued monitoring of transformation and service delivery in line with the service's proposed Vision, Goals and Objectives as outlined in the services Strategic Business Plan that forms part of the new Shared Services Agreement to 31 March 2019.

4.0 Report Background

- 4.1 At the 24 March meeting of this Committee, Members were asked to approve a report that set out the basis for the establishment of a new shared services agreement for transactional HR and Finance services, hosted by Cheshire West and Chester Council. In approving such an agreement, Members took account of the progress made under the original shared agreement (1 April 2016) and key contractual documentation that included a strategic business plan; service catalogue and payment mechanism and exit strategy.

5.0 Financial Performance 2016/17

RAG Rating: **GREEN** 

- 5.1 On 1 April 2016, the Council inherited an approximate £0.5m funding gap from CoSocius Ltd in relation to HR & Finance Services. The outturn position for 2016/17 shows a small underspend of £3k which represents a significant performance achievement for the service. This performance has largely been achieved through vacancy management and by addressing some non-pay areas such as the roll out of e-payslips; file storage; and the reduction in the schools subsidy.

6.0 Business Continuity and delivery against Service Definitions

- 6.1 Business Continuity remains a key priority for the service and since the transfer of services back into the Council service delivery has remained consistent, despite significant staff turnover, with no discernible impact on customers. Key performance indicators related to the accuracy of pay and the timeliness of payments to suppliers both exceeded targets.

Monthly contractual performance reporting, with East and West client oversight, has been reviewed as part of the preparation of the business plan, with key performance indicators identified as part of the revised performance management framework.

The TSC transition board, with Cheshire East client representation, established to oversee the delivery of the Business Plan and transformation project will continue to meet and provide governance and oversight of the delivery of the key outcomes.

7.0 Development of a New Target Operating Model

- 7.1 The TOM is defined as an overarching approach to the delivery of the TSC that will encompass the strategic business plan, the service catalogue and payment mechanism (pay mech), the structure (the initial management restructure with a clear project plan and timescales for the wider service restructure), and transformation plan under the governance of the Transition Board.

The Management Restructure has now been completed. The TSC Manager – Assessment and the Quality Assurance & Service Delivery Manager were confirmed in post from 1 March 2017. The TSC Manager – Recruitment & Pay commenced their role on Tuesday 2 May. The Finance, Billing & Debt role has been offered and verbally accepted and will commence their role at the end of June.

8.0 Development of a Strategic Business Plan to 2019

- 8.1 The Strategic Business Plan, agreed as part of the new shared services agreement, sets out the clear direction of the service for the transformation phase. The Plan outlines core vision, goals and objectives; a non-financial Performance Management Framework (PMF); overall and operational governance; risks and opportunities; Financial Information and a high-level Exit strategy.

The four core goals remain:

- Financial Stability
- Efficient, Effective services
- Customers and Residents First
- Cultural Development

The TSC Transition Board continues to provide overall governance for the delivery of the plan and associated transformation activity.

- 8.2 There remain key interdependencies that will influence and shape the strategic direction of the Transactional Service Centre, not least the HR and Finance System (ERP) Replacement, for which the service is currently supporting the wider procurement process, and flexible, mobile working and accommodation review. Discussions are in hand across the different programmes to ensure that the direction and goals are aligned and that there are opportunities to influence the delivery of the TSC goals as part of this process. One important and critical linkage is between the HR & Finance Programme, the ICT Shared Service activities and the TSC. This will be key to establishing a coherent deliverable strategy and approach for the TSC in the medium to longer term.

9.0 Demand Management & The Lines of Business Review

- 9.1 A key objective of the service is to develop an 'efficient, effective service' by ensuring that activity caused by failure, avoidable or preventable demand is not inhibiting the delivery of the service and/or the experience of its customers. To address this, the service has developed a 'Demand Management' Strategy that seeks to eliminate or significantly reduce unnecessary demands on the service by shifting that demand to more modern, efficient methods – reducing the administrative burden for both customers and the service itself.
- 9.2 Linked to the demand management strategy, the development of the wider service, its resourcing and future structures is being supported by the Public Sector Reform team (PSR) West through detailed activity analysis, process and procedural review, resource inputs and cost evaluation. The outputs of this work, expected later this month, will inform both interim and future, post-ERP implementation, structures and enable the service to meet short and longer term efficiency expectations.

10.0 Summary Next Steps

Table below summarises key actions and key milestones over the next few months:

Action	Milestone Date
Recruitment to the TSC Management Team	Complete
Lines of Business External Review (PSR – West)	May 2017
Wider service restructure consultation	On or before 31 July 2017
On-going approach to service development and reduction of unnecessary demands placed on both the service and those transacting with it	On-going

11.0 Access to Information

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

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