



To: The Leader and Executive Councillor for Strategy and Transformation: Councillor Lewis Herbert

Report by: Director of Business Transformation

Relevant scrutiny committee: Strategy & Resources
13/7/2015
Scrutiny Committee

Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

SHARED ICT SERVICES

Key Decision

Executive summary

- 1.1 Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) have agreed to work in partnership to deliver shared services and have agreed general principles to underpin the approach.
- 1.2 This report provides the business case to establish an ICT Shared Service (ICTSS) between the Councils and details the activity to create the ICTSS.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the Business Case and delegate authority to the Director of Business Transformation to make decisions and to take steps which are necessary, conducive or incidental to the establishment of ICTSS in accordance with the business case.

3. Background

- 3.1 When this matter was last reported in to this committee, approval was given to develop a business case and to appoint an ICT Shared Service Programme Lead. This was funded in full by the Transformation Challenge Award (TCA) made by Government to the three Councils concerned to support their work towards a range of shared service arrangements.
- 3.2 The business case for the establishment of the ICTSS can be found at Appendix A to this report. The rationale for the establishment of a ICTSS between CCC, SCDC and HDC is that it will enable the creation of a shared applications systems and technical infrastructure to facilitate wider shared service delivery for all Council Services, reduce overall IT cost, increase resilience and capacity and improve staff recruitment, retention and development.
- 3.3 It is proposed that HDC will act as the lead authority for the ICTSS; although it is recognised that different ICT teams take on a variety of functions across each Council, the scope of the ICTSS has been agreed by the partner Councils and is described in this business case.
- 3.4 The ICTSS will be created by the TUPE transfer of staff from CCC and SCDC to HDC; this is proposed to happen on 1 October 2015. Interim management arrangements will be put in place prior to the appointment of the proposed Head of the ICT Shared Service.
- 3.5 The gross ICT operating budget of the three Councils in 15/16 is £5.798m. This figure excludes the costs of the contract that the City Council has with Northgate, which is a fixed price contract ending in 2018. Therefore, no savings have been shown against that element of ICT cost and in calculating the ratios of operating budgets at start-up, which is used as the basis for savings and cost distribution, the Northgate element has been excluded. The ratios for 15/16 are therefore CCC 32.7%, HDC 38.4%, SCDC 28.9%. They will change to CCC 41%, HDC 35.7%, SCDC 23.3% in 16/17 because the 16/17 budgets will additionally include the 3 Councils departmental non-staffing IT budgets. An exception to the use of the ratio for cost distribution is in respect of those employees ring-fenced for the proposed management structure where it is proposed that those costs will be borne by the pre – TUPE employer.
- 3.6 As with all service areas within the three Councils, each ICT team has already been challenged to reduce the costs of delivery; savings have accordingly already been taken by each Council from their 15/16 budgets (the last year when each Council approved its own ICT budget if this Business Case is accepted). Reduction of 15% of the net revenue budget after income has been applied for 16/17.

- 3.7 Interim management arrangements will be put in place prior to the appointment of the Head of the ICT Shared Service. This cost is estimated at £80k. There are also costs associated with implementing flexible working across the three Council and options and costings for this are currently in development.
- 3.8 There will be a Service Catalogue which describes the range of services which will be available to users. These service descriptions include details of service availability, support availability and business priority. The Management Team will have responsibility for ensuring proper on-going monitoring arrangements for work progress and proper client care through the agreement and reporting of appropriate 'key performance indicators' with each participating council. A technical roadmap is in development which will target key outcomes to be achieved in creating a single service.
- 3.9 The covering report on shared services, elsewhere on this agenda, details the general principles used to underpin the establishment of shared services between the 3 Councils.

4. Implications

(a) Financial Implications

The ICTSS has a minimum saving target of 15% of net revenue budget after income has been applied.

(b) Staffing Implications

HDC will become the Lead Authority for the ICTSS. As such, identified ICT staff in CCC and SCDC will transfer under TUPE to HDC on the go-live date. Formal consultation with staff, Unions and Staff Council at HDC will take place during August in accordance with each Councils policy on consultation. The consultation will be in respect of the proposed TUPE arrangements and new management structure.

(c) Equality and Poverty Implications

An Equalities Impact Assessment (EQIA) has been carried out. The EqIA will be reviewed at all key stages including when the implementation papers are ready and after consultations have taken place.

(d) Environmental Implications

Low Positive Impact. Reduction in accommodation and energy use associated will have a positive impact. Potential negative impact from

increased travel will be mitigated by increased mobile and remote working.

(e) Procurement

None

(f) Consultation and communication

This will be conducted in accordance with the Councils agreed policy.

(g) Community Safety

This will be conducted in accordance with the Council's agreed policy.

5. Background papers

Strategy and Resources Shared Services Report – 20 October 2014.

6. Appendices

Appendix A – ICT Shared Service Business Case
Equalities Impact Assessment

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Ray Ward
Author's Phone Number: 01223 457325
Author's Email: Ray.ward@cambridge.gov.uk

v3f