

Council

A Shared Information Services/ Information Technology (IS/IT) service

December 8 2011

Report of Head of Finance and Procurement

PURPOSE OF REPORT

To propose that the principle of a shared IS/IT service be adopted as part of the Cherwell District Council policy framework.

This report is public

Recommendations

Council is recommended to:

- (1) Adopt the principle of establishing a shared IS/IT service with South Northamptonshire Council as part of the Council's policy framework.

Executive Summary

Introduction

- 1.1 In principle agreement to fully investigate the costs and benefits, risks and opportunities afforded by implementing a shared IS/IT service with SNC was given in July by Executive. Similar agreement was secured at South Northamptonshire's Cabinet.
- 1.2 Full investigation has now been completed and a business case made which indicates that there are both financial benefits for both councils from such an arrangement, and significant opportunities to benefit further, in the future, by exploiting the shared infrastructure to further streamline how ICT systems and applications support service delivery at both councils. The business case is currently being consulted on and will be presented to the Executive in January for consideration and agreement.
- 1.3 The business case has also been examined by overview and scrutiny and any comments will be fed in to the consultation process which is taking part in December.

Proposals

- 1.4 That the principle of establishing a shared Information Services service be included within the policy framework of Cherwell District Council, subject to the Executive establishing that a shared Information Services service is in the interest of the Council.
- 1.5 That whilst initially the shared service will be established with South Northamptonshire Council, this does not preclude the Council establishing a shared service with more than one partner in the future.

Conclusion

- 1.6 The investigation of the options indicates that a shared service is of benefit to Cherwell District Council, both in reduced revenue costs, and in terms of economies of scale in the future.

Background Information

- 2.1 In November 2010 Joint Arrangement Steering Committee asked for work to be done to implement shared ICT arrangements in support of the shared management team. They also asked for investigation of how benefits could be accrued through sharing and harmonisation of applications.
- 2.2 The cessation of SNC's outsourced contract in April 2012 presented a more advanced opportunity, against which SNC commissioned SOCITM to review the options.
- 2.3 Of the seven options put forward the two recommended were to share, or to enter into a customer/supplier relationship.
- 2.4 The preferred option is to share on the basis that this is more in line with the shared service aspirations of the two councils. This position has been considered by the Joint ICT Working Group, the Joint Arrangements Steering Group and the SNC Cabinet. All have endorsed the need for each Council to consider 'in principle' support followed by the development of a full business case with clear benefits, estimated costs and risks prior to any formal commitment.
- 2.5 That business case has now been prepared proposing a shared service which can deliver ICT services to both authorities and manage the insource of SNC specific services at the end of the current outsource contract.
- 2.6 By adopting the principle of establishing a CDC/SNC shared IS/IT service as part of the policy framework Executive is enabled to consider the business case for final approval at its meeting in January. If this step were not then it would be necessary for the business case to be reported to full Council for approval. Given the fact that time is of the essence, the approved business case for the shared senior management team envisaged further shared working between the two Councils, both Councils have made medium term budget saving assumptions in anticipation of further shared working and SNC needs to have a solution in place by April 2012 when its current out source

contract terminates, Council is recommended to resolve as set out above.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 The Shared Management Team business case requires 20% savings to be made through further shared working between the two councils. Without a shared ICT infrastructure opportunities for this kind of savings generation by services will be severely inhibited.
- 3.2 Cherwell District Council is already well-placed to take advantage of future opportunities but by sharing, gains additional financial benefits. For example in 2012/13 the capital required to refresh and extend the Council's infrastructure will be £347,000. By simply sharing the infrastructure with South Northamptonshire that investment need is reduced to capital of £208,500 and revenue investment of £91,730.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One Adopt the principle of a shared IS/IT service with SNC as part of the policy framework.

Option Two Do not adopt the principle of a shared IS/IT service with SNC as part of the policy framework, This is not recommended for the reasons set out in 2.6 above..

Consultations

Joint Management Team	Every member of Joint Management Team was consulted as part of the business case development
Information Services Staff	All staff "in scope" are being consulted on the shared service team proposal
External consultants	The case – financial and technological - has been validated by external experts Methods Consulting

Implications

Financial: There are clear financial benefits to Cherwell District Council from implementing a shared service and these are detailed in the business case on pages 7-9.

Comments checked by Karen Muir, Corporate System Accountant, , 01295 221559.

Legal: The section 113 agreement between the Councils enables a shared IS/IT service to be established. Adoption of the principle of such a shared service as part of the policy framework enables the final business case to be considered and approved by the Executive.

Comments checked by

Kevin Lane, Head of Law and Governance. Tel: 0300 0030107

Risk Management:

There is risk associated with this proposal. There is a moderate risk of service disruption during the period of establishing the shared infrastructure, but the proposal provided for additional transition resources to mitigate that risk. The technical approach of “parallel running” systems which are added to the infrastructure also mitigates this risk. The risk of not incurring the financial benefits is low.

Comments checked by Karen Muir, Corporate System Accountant, , 01295 221559.

HR implications

A joint organisational change policy is in place and will be followed to implement the staffing changes associated with the insource and creation of the shared team. There are change and TUPE issues but no risk of redundancy or significant detriment and the risks associated with the change are therefore low in terms of policy/legal challenge. There will be a level of disruption associated with change but this will be mitigated by clear project planning and communication

Comments checked by Anne Marie Scott, Head of Transformation, Tel: 0300 0030108

Wards Affected

All

Document Information

Appendix No	Title
Appendix 1	Executive Summary of the Business Case
Background Papers	
none	
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