

	<p style="text-align: center;"><b>Joint Committee of the London Boroughs of Lewisham and Brent</b> 26 October 2017</p> <p style="text-align: center;"><b>Report from the Head of Digital Services</b></p>
<p>For Information</p>	
<p><b>The Shared ICT Service for Brent and Lewisham – April 2016 to October 2017</b></p>	

## 1.0 Introduction

- 1.1 The Shared ICT Service was established in April 2016 to provide services to Brent and Lewisham. As of November 2017 it is being expanded to cover Southwark.
- 1.2 As part of the expansion of the service new governance arrangements will be established, as the service will now be managed by all three boroughs jointly.

## 2.0 Recommendations

- 2.1 The ICT Shared Service Joint Committee is asked to:
  - a) Note the contents of Section 3 – Detail, summarising the work of the shared service for Brent and Lewisham.
  - b) Note the contents of Section 5 – Legal implications, outlining the changes to the governance arrangements needed to establish the expanded shared service.

## 3.0 Detail

- 3.1 The shared ICT service for Brent and Lewisham was established in April 2016, bringing together Brent, with an in-house ICT service, and Lewisham, exiting a managed services contract with Capita.
- 3.2 Brent was chosen as the host for the service as it had an in-house service and therefore already employed the majority of the staff. A total of 7 staff transferred to Brent from Capita.
- 3.3 The service went through a restructure in its first month of operation to establish a structure better fit to support the two authorities. The restructure involved a total of 47 staff, with a new structure of 50 posts. It should be noted that both authorities were achieving significant savings at the same time as increasing headcount in IT support services.

- 3.4 The main focus of the work of the shared service over the best part of its first year of operation was in transitioning the Lewisham services. Previous lack of investment meant that the shared service had to essentially replace all desktop and server infrastructure in Lewisham as a matter of priority.
- 3.5 The shared service completed a rollout of thin-client based desktops in under 6 months and at the same time replaced the majority of server infrastructure in the first year of the service. To put this in perspective most organisations, including Brent before, would complete these projects in 18 and 24+ months respectively.
- 3.6 As the work on the main infrastructure transition projects was coming to an end, the focus moved to improving day to day operational performance. This can be evidenced in the key performance indicators trends that demonstrate a consistent improvement in both helpdesk resolution performance and user satisfaction month on month.
- 3.7 The refreshed infrastructure for Lewisham enabled the council to proceed with establishing a digital programme to deliver significant projects, previously hindered by the lack of IT capacity. At the same time, the economies of scale arising from sharing support staff and infrastructure allowed both authorities to achieve their saving targets without compromising the quality or capacity of the ICT service.
- 3.8 Apart from merging staffing and infrastructure, work has also been ongoing in consolidating existing contracts and joint procurement by the two authorities. Examples include consolidating our print contracts resulting in 20% saving for both councils, joint procurement of a debt management system achieving a saving of 13%, joint procurement of our wide area network circuits delivering in excess of 20%.
- 3.9 The shared service began discussions with Southwark in late 2016 to explore the opportunity of working to expand the service to them.
- 3.10 Southwark officers, in consultation with shared service officers, went through a review of their options, consisting of extending their managed services contract with Capita, procuring services under the Westminster ICT framework with BT, or joining the shared service with Brent and Lewisham.
- 3.11 Following a thorough evaluation of the options Southwark decided that they wanted to pursue joining the shared service, and all three Councils went to their respective cabinets in February 2017 seeking authority to proceed with due diligence activities leading to the potential expansion. This was followed by another set of reports to all three cabinets in June, to feedback on the due diligence progress and obtain final approval for the expansion of the shared service to Southwark on the 1<sup>st</sup> of November 2017.
- 3.12 The expanded shared service will not only deliver additional savings to the councils but will also significantly improve the capacity and resilience of the team, adding an approximate 35 additional FTE to the existing establishment.
- 3.13 A total of 16 staff from Capita and 3 from Southwark are currently in scope for TUPE transfer to the shared service. The shared service will be employing a number of additional interim staff to ensure adequate service provision, and will be looking for a restructure of the service in early 2018. Once the appropriate structure is in place we will be recruiting for permanent staff in all vacant posts.

- 3.14 It should be noted that the Southwark infrastructure that will be coming under the support of the shared service is in a better health to what we found at Lewisham, and with the significant increase in our establishment we do not foresee a transition project that would affect day to day support. However, there is nevertheless a significant amount of work to transition the services from their current hosting arrangements with Capita to the shared service datacentres, as well as improving resilience and disaster recovery arrangements.
- 3.15 Although the expanded shared service is not formally in place until the 1<sup>st</sup> of November, officers have started cooperating in a number of areas looking forward into future provision. We have already gone to tender for a single telephony contract for all 3 councils and we are about to issue a joint tender for our planning and building control software.

#### **4.0 Financial Implications**

- 4.1 There are no direct financial implications from this report but both Councils decided to create a shared service on the basis that it would generate savings. It is anticipated that the expansion of the shared service to include Southwark will enable further savings through increased economies of scale and sharing of overheads.

#### **5.0 Legal Implications**

- 5.1 Brent Council hosts the current shared ICT service with Lewisham. Lewisham and Brent have through a statutory framework pursuant to the Local Government Act 1972, the Local Government Act 2000, the Localism Act 2011 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 agreed for the discharge of functions through a joint committee. Joint committees can in turn delegate functions to one or more officers of the councils concerned. Decisions of joint committees are binding on the participating councils. However, subject to the terms of the arrangement, the council retains the ability to discharge that function itself.
- 5.2 The proposed three way shared ICT service with Southwark is due to commence on 1 November 2017. It is also intended that Brent Council will host the service and that the discharge of both Lewisham and Southwark's functions will be through a joint committee. This will require the current joint committee between Brent and Lewisham to cease and for it to reconstitute from 1 November as a joint committee of all three councils. The new three way joint committee will operate to revised governance and terms of reference.

#### **6.0 Diversity Implications**

- 6.1 There are no direct diversity implications.

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