

Executive Decision required by	Mayor and Cabinet		
Title	Extend the Shared ICT Service to include applications support		
Key decision	Yes	Item no	
Wards	All		
Contributors	Head of Technology and Change Executive Director for Customer Services		
Class	Part 1	19 th July 2017	

Summary

1. This report sets out a proposal for extending the Shared ICT Service with Brent to include applications support.

Recommendations

2. It is recommended that the Mayor:
 - a. agrees to extend the existing shared service to cover application support and in particular delegating this function to London Borough of Brent. This would involve transferring staff to Brent. This transfer would be subject to the usual TUPE rules, which would determine which staff may be affected and would be subject to formal consultation. Through this process the Council will ensure that it had due regard to its equalities duties;
 - b. approves the delegation from the London Borough of Lewisham to Brent (as the host authority) of the delivery of the applications support under the terms of the existing Shared Service Agreement in respect of ICT services;
 - c. delegates authority to the Executive Director Customer Services to agree the terms of the variation to the existing Shared Service Agreement in respect of ICT services; and
 - d. notes the transfer of the applications support staff from the London Borough of Lewisham to Brent pursuant to Transfer of Undertakings (Protection of Employment) Regulations 2006.

Policy Context

3. Lewisham's Sustainable Community Strategy 2008-2020 contains the shared priorities for the borough. It sets out a framework for improving the quality of life and life chances for all who live in the borough.
4. To support this, the Council has put in place a Digital Programme that aims to:

- support the Council's move to providing excellent digital services and improving access to these services;
 - making better use of the Council's data and systems;
 - making it much easier to work with the Council's partners; and
 - enabling flexible and mobile working.
5. In this context the Mayor agreed to put in place a shared IT service with Brent Council to support this change. The shared service with Brent has been in place since April 2016 and is underpinned by a Shared Service Agreement between the two organisations.
 6. Following on from this officers have looked at whether extending the shared service could increase IT resilience and potentially reduce costs. As a result of this review officers are proposing to include Applications Support within the scope of the Shared Service.

Review of applications support and the case for change

7. To support the Council's digital transformation programme the Council has updated its IT infrastructure, upgraded key systems and put in place a new shared service with Brent to support the IT infrastructure.
8. Now that these changes have been put in place the digital programme team are working on a number of projects that depend on making much better use of the Council's key systems, such as introducing mobile access. In order to support these changes it will be critical that the right arrangements are in place to support key applications.
9. In this context officers reviewed the arrangements that are in place across the Council to support its applications. Responsibility for supporting IT applications (and the associated staff, contracts, development costs, budgets, training resources and project spend) is fragmented across the Council. In some areas services have direct responsibility for application support, in other services this responsibility rests with corporate IT.
10. The fragmentation of application support creates two key issues:
 - support arrangements for key systems are variable. In some areas there are no formal arrangements in place to support critical business systems. In addition there are some single points of failure in the system; and
 - the right commercial and IT expertise is not always brought to bear when engaging with suppliers, managing contracts or procuring IT systems.
11. More widely the review found that in order to support digital transformation the Council needs to:
 - create more resilient arrangements for supporting and developing key applications;
 - involve a stronger commercial discipline with commercial IT expertise used to client all IT related contracts;
 - ensure that the right technical expertise is deployed to support applications;

- have clarity around the respective roles and responsibilities of corporate IT and services;
 - strengthen strategic IT capability, with a corporate IT service that has a greater capacity to advise services on the right solutions and to be involved at an earlier stage;
 - be focused around developing a smaller number of key tools that give the business greater capability to deliver digital services – for example focusing resources on using a one online forms tool rather than three.
12. In order to deliver this vision work has already begun to look at rationalising IT functions by moving posts and spending into the corporate centre. However, rationalising IT functions is unlikely to be sufficient on its own to deliver the vision within the resources available. Extending the shared team with Brent to cover application support could address this and would have a number of key advantages:
- a larger team would increase the resilience of the support arrangements and would allow the Council to eliminate single points of failure for key systems. Alongside this a larger team would allow greater opportunities to develop staff and would allow more opportunities for career progression;
 - where the same systems are shared by both councils, efficiencies can be made through joint contracting (e.g. officers are already exploring whether money can be saved on the planning system);
 - it would also be possible to share a number of more generic IT skills across the team such as technical and contract management skills. This will improve resilience, plug gaps in skills and extend business continuity in terms of ICT support for both councils; and
 - creating a successful team that works across two boroughs may open up opportunities for sharing with other boroughs in the future. This will be through increased resilience, a broad spread of expertise across applications and better support systems for existing and new applications.

Risks

15. Creating a new shared applications support team would also create risks. In particular there is a risk that a team that works across two boroughs may have less of a focus on resolving issues that are specific to one Council or that the relationships between IT and service areas are weakened.
16. In order to mitigate these risks the new shared team would retain a significant presence in both boroughs and it is not envisaged that staff would be asked to move location. In addition the performance of the new applications team would be managed closely by the Shared Management Board.

How the new service will work and implications for staff

17. To ensure effective governance and management arrangements are put in place it is recommended that the existing shared service agreement is extended to cover applications support. As part of this agreement the shared service is already

overseen by a Joint Committee of two members from each Council and a Shared Management Board comprised of officers from both Councils. Under this proposal the remit of the Joint Committee and the Shared Management Board would simply be extended to cover application support.

18. As part of the existing shared service agreement Brent act as the 'host' Council – employing staff and, where appropriate, entering into contracts on behalf of both boroughs. Again it is proposed that this arrangement would simply be extended to cover applications support. The new team would be managed by a Joint Head of applications support, employed by Brent but working across the two boroughs, who will report to the Head of the IT shared service.
19. This will also mean that application support staff will be employed by Brent in the future (although the shared service will retain a physical presence in both boroughs). Staff and Trade Unions have been informed on these changes and the TUPE regulations will apply.

Link with Southwark proposals

20. Separately a report is being taken to the Mayor and Cabinet that recommends the extension of the Shared ICT Service to include the London Borough of Southwark from November. This will involve extending the existing shared infrastructure support team and will not directly affect the Council's application support arrangements – these will be shared between Lewisham and Brent but not Southwark. There may be advantages to sharing application support with Southwark in the future and officers will examine in due course.

Financial Implications

21. Staff will be transferred at existing cost so there is no increase in the service's revenue expenditure. Lewisham will still be responsible for payment of these costs after transfer through the existing payment arrangements as per the shared service agreement.
22. The total cost of the service for both councils will be £2.4m per year of which Lewisham will be liable for 50% or £1.2m annually

Legal implications

23. The Council and the London Borough of Brent ("Brent") established a shared service to facilitate the joint delivery of ICT in April 2016. This was done in exercise of its powers under section 1 of the Local Authority (Goods and Services) Act 1970, section 101, 111, 112, 113 and 136 of the Local Government Act 1972, section 3 of the Local Government Act 1999, and sections 1 to 8 of the Localism Act 2011.
24. The Council and Brent now wish to extend the shared service to include applications support subject to Mayor and Cabinet approval.
25. The shared service agreement between the Council and Brent allows the service to be varied subject to the relevant approvals. Decisions relating to changes in service

delivery are reserved to Members. The reasons for, and the benefits of extending the shared service to include applications support are set out in this report.

26. Brent are the host borough of the shared service and therefore employ all staff that work on it. Transferring application support to the shared service means that TUPE is likely to apply to those Lewisham staff currently working on applications support.
27. TUPE applies to transfers within the public sector where there is a change of employer and a transfer of an economic entity or activity whether or not they are operating for gain.
28. The Council's staff that are engaged in providing application support for the majority of their time will be assigned to the team transferring to Brent Council.
29. The staff group that are subject to the relevant TUPE transfer and their Unions will be informed and consulted in accordance with the Council's TUPE Guidelines.
30. The subject matter of this report is a key decision and is therefore required to be included in the Key Decision plan.
31. The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
32. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
33. The duty continues to be a 'have regard duty' and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
34. The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice".
 - The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty.
 - The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions.

- The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value.
 - The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
35. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:
- The essential guide to the public sector equality duty
 - Meeting the equality duty in policy and decision-making
 - Engagement and the equality duty
 - Equality objectives and the equality duty
 - Equality information and the equality duty
36. The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>
37. The Council remains under a duty under Section 3 Local Government Act 1999 to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. It must have regard to this duty in making decisions in respect of this report.

Crime and disorder implications

38. There are no crime and disorder implications

Equalities implications

39. In considering this change the Council had regard to its equalities duties. As it is not expected that either the location of staff will change nor their terms and conditions (which would be subject to the usual TUPE rules as set out above) will change as a result of this decision it is not expected that there will be any specific equality implications. Through the TUPE process the Council will determine which staff will be affected by these changes and through this process the Council will continue to have regard to its equalities duties.

Environmental implications

40. There are no environmental implications.

Conclusion

41. It is recommended that the Mayor:

- a. agrees to extend the existing shared service to cover application support and in particular delegating this function to London Borough of Brent. This would involve transferring staff to Brent. This transfer would be subject to the usual TUPE rules, which would determine which staff may be affected and would be subject to formal consultation. Through this process the Council will ensure that it had due regard to its equalities duties;
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