

**Committee: CABINET**

**Date of meeting: 13 September 2017**

<b>Subject:</b>	ICT Shared Service – Update
<b>Lead Officer:</b>	Strategic Director & Deputy Chief Executive
<b>Portfolio Holder:</b>	Councillor C. R. Sadler – Portfolio Holder for Resources
<b>Link to Council Priorities:</b>	All
<b>Exempt information:</b>	None
<b>Delegated status:</b>	For Resolution
<b>Key decision:</b>	Yes

### **EXECUTIVE SUMMARY:**

This report outlines the decision made to disband the ICT Shared Service for Elmbridge and Epsom and Ewell Borough Councils and the exit strategy that is currently being considered. It also considers the implications for staff and systems.

### **RECOMMENDATION: THAT**

- (A) CABINET NOTE THE DECISION TO DISBAND THE CURRENT ICT SHARED SERVICE WITH EPSOM & EWELL BOROUGH COUNCILS; AND**
- (B) CABINET SUPPORTS THE RECRUITMENT OF A FULL-TIME HEAD OF ICT & DIGITAL SERVICES.**

### **REPORT:**

1. Background
  - 1.1 The ICT Shared Services was approved by Cabinet in February 2016 and then formerly commenced operation on 1 April 2016. The joint Head of ICT has been shared between the two Councils since September 2010. Both since then and prior to the formal agreement – a significant amount of work has gone into aligning both staff and systems to realise benefits in terms of cost and efficiency savings, an increased pool of technical resource and knowledge resulting in improved resilience, flexibility and business continuity options.
  - 1.2 Working together in this way has achieved a number of positive results. However, following the departure of the joint Head of ICT in February this year and a recent change in leadership at Epsom & Ewell, the opportunity has been taken to re-evaluate the direction of travel for both organisations. Furthermore, Epsom & Ewell have decided to have a dedicated team and Head of Service to meet their future aspirations and objectives.
  - 1.3 Both Councils acknowledge that shared service has performed well and some really good work has been achieved by working together. Following the joint Head of ICT 's departure, Epsom & Ewell have taken time to review where they want to go as an organisation and feel that to drive the change that they want to see that they need a dedicated team focused on the Council's

individual objectives.

- 1.4 Following Epsom & Ewell's notification to terminate the agreement on 16 May 2017 and in accordance with the Memorandum of Agreement (MOA) between the two Councils, formal notification to terminate the ICT shared services was served on 31 May. As per the MOA a period of six months is provided to withdraw the services and plan for the exit strategy with minimal impact on the services provided to both authorities.
- 1.5 It is disappointing that this goes against the national trend where an increasing number of Councils are setting up shared services and in some cases with more than one partner. A successful shared service needs strong leadership and it is important for authorities concerned to be aligned in their vision and direction of travel.
- 1.6 The ICT function is integral for the Council in delivering the key priorities and Council Plan. Having a resilient, flexible and proactive ICT team and infrastructure will enable the Council to continue to deliver high quality services.
- 1.7 ICT must be able to respond effectively to organisational needs, to have a solid and modern infrastructure that enables delivery of the Council Plan for Members and Officers. In addition, the Council wants to be able to respond to the needs of the residents and local businesses better, with responsive and more effective technical and development resources.

## 2. Benefits from having a Shared Service

- 2.1 As part of the Shared Service the Council has achieved the following:
  - Improved delivery of projects under a reviewed ICT Projects Framework and ICT Governance.
  - Improved security arrangements to strengthen the security of systems
  - Increased the resilience and reduce the reliance on individuals and/or small teams.
  - Increased the stability of the environment and infrastructure for service delivery.
  - Improved communication and engagement with staff and members.
  - Increased proactive service and monitoring.
  - Increased the pace of change of ICT in both Councils.
  - Continued to develop customer focussed services for the Council.
  - Ensured continued and dedicated on-site presence for the Councils.
  - Provided a single First Line Support Desk for both Councils retaining local numbers and service.
  - To continue to provide services on a 'mixed economy' basis using in-house staff, third party support contracts and external expertise as and when needed and required.
  - Improved the range of skills available at both Councils.
  - Achieved efficiency savings through joint procurement and sharing resources.

Separate to the Epsom & Ewell Shared Services, Elmbridge provide some

network consultancy and support to Spelthorne Borough Council which will continue.

### 3. Staff Implications

3.1 Including the Joint head of ICT, there were five other posts that were shared between the two Councils ranging from 10% to 50% of their time allocated to Epsom & Ewell.

3.2 The Shared posts are:

<b>Percentage split of jointly funded posts</b>	<b>EBC</b>	<b>EEBC</b>
• Head of ICT	50	50
• Technical Infrastructure Manager	60	40
• Service Desk Team Leader	70	30
• ICT Network and Servers Officer	80	20
• Information Governance Consultant	90	10
• GIS Manager	90	10

As part of the exit strategy, discussions are already underway and agreement reached relating to shared staff and some shared systems. The one area that is still outstanding is Epsom & Ewell's decision on their preferred migration to the Data Centre. The Data Centre has been designed so that each Council's data is separated securely and can be run individually. There is a requirement, however, for overall management of the Data Centre environment to ensure faulty hardware items are replaced and infrastructure software is kept up to date and secure. Also, as Elmbridge has the majority share and necessary skills and staff available to perform such duties, the preferred option is that EBC staff carry out these roles on behalf of both Councils and charge for the service provision.

The Data Centre solution has been designed and built to facilitate the workload from both Councils. Procuring the Data Centre together had the benefit of reduced costs for both organisations. Should Epsom & Ewell decide to withdraw their share of the equipment, there is likely to be additional expenditure, complexity and time to both authorities.

It has been made clear that Elmbridge will not be incurring any additional costs should Epsom & Ewell change their mind on the direction of travel for their Data Centre.

### 4. ICT – The Future

4.1 Elmbridge has been operating with a shared Head of ICT with Epsom and Ewell since September 2010. Following the departure of the Head of ICT in February this year, the post has been vacant with duties being carried out by the ICT Business Manager and the Technical Infrastructure Manager, pending the decision by Epsom & Ewell.

Following the decision to terminate the Shared Services Agreement by Epsom & Ewell and having considered various options, the recommendation

is to recruit a full-time Head of Service. This will have the benefit of having a single figure head for ICT who can provide strategic leadership and management to deliver technology and digital services for the Council.

- 4.2 The ICT function plays a crucial role in delivery and supporting a huge range of services provided by the Council to our residents. Elmbridge has been introducing advance technology and digital services for the past three to four years. This transformation is taking place whilst effectively maintaining the on-going delivery of a high-quality ICT Services to our residents. The function will continue to enable and act as a launch pad for transformation across the Council by improving outcomes for customers and adding value to their contact with the Council.
- 4.3 A secure, resilient and reliable infrastructure that exceeds the needs of the Members and Corporate Management Board to successfully, securely and cost effectively deliver the Council Plan, through delivery of ICT Projects delivered through the ICT Governance Framework.
- 4.4 A proactive, customer focussed team of ICT experts who are able to respond to the changing needs of the Council and able to deliver against an agreed set of priorities, which will be agreed through the ICT Governance Framework.

**Financial implications:**

The aim of the Shared Service was to primarily ensure the Councils were able to deliver an improved and more resilient ICT service and infrastructure within existing budgets. The 2017/18 budget included savings of £63,500 which related to cost of salaries charged to Epsom & Ewell for the shared posts. Withdrawal from the agreement will result in Elmbridge having to find an additional £63,500, to make up the shortfall in salaries currently paid for by Epsom.

As the Head of ICT post has been vacant since March, the additional cost referred to above can be met by the saving in the head of ICT post (0.5 FTE) until the post is filled. However, for 2018/19 the additional costs of the shared staff as well as a full-time head of ICT will mean that there will a budget growth of up to £100k which needs to be included in the Budget for next year.

**Environmental/Sustainability Implications:**

None for the purposes of the report.

**Legal implications:**

The Memorandum of Agreement (MOA) allows for 6 months' notice or earlier by mutual consent.

**Equality Implications:**

ICT supports the delivery of all Council services.

**Risk Implications:**

ICT is essential to the business as usual operation for the Council. There are a number of risks that will be carefully managed during the process:

- Staffing – need to ensure that staff are bought into the change, with effective communication
- Costs – budgets will need to continue to be closely and actively monitored
- Infrastructure Reliability and Resilience – need to ensure that the Council is able to meet the needs of the Council.
- Governance and delivery of results – it is essential that Business Areas are involved in the ICT Governance and planning so we meet and exceed expectations for both business as usual and delivery of special projects. Day to day activities will need to continue to be delivered.

**Community Safety Implications:**

ICT supports the delivery of all Council services.

**Principal Consultees:**

Council Management Board  
ICT Management Team

**Background papers:**

None

**Enclosures/Appendices:**

None for the purpose of this report.

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