

Report for: Cabinet, 15 March 2016

Item number: 11

Title: ICT Shared Service – Haringey, Camden and Islington

Report

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Ward(s) affected: ALL

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks the approval from the Cabinet to join a shared Information and Communications Technology (ICT) service with the London Boroughs of Camden and Islington, to commence formally in October 2016.
- 1.2 In September 2015, the Council commissioned SOCITM (the Society of Information Technology Management) to carry out a high-level assessment of the ICT service in the Council, to consider the possibility of the Council joining the shared service set up by Camden and Islington Councils.
- 1.3 Following the review, SOCITM found a clear alignment in the strategic direction of all the three councils and the outcomes required from their respective ICT functions to deliver change and support future savings plans within their organisations.

2. Cabinet Member introduction

- 2.1 In February 2015 the Council developed its ambitious corporate plan. The Council has subsequently set out its five top priority outcomes.

The Council has also set out to deliver significant transformation which is being delivered across all of its services.

- 2.2 The ICT service is one of the key enablers to ensure we can deliver transformation of the Council's services through implementation of technology and fundamentally change the way we deliver services.
- 2.3 The proposal to join our ICT service with Camden and Islington will allow us to increase our ICT service's resilience and resources by working jointly with colleagues from Islington and Camden.

- 2.4 The increasing pressure on local authorities to reduce budgets whilst continuing to deliver critical services will mean that they cannot continue to work in silos. There are various examples of shared service projects in various scales which are examples of changing the way we deliver local services.

3. Recommendations

- 3.1 To agree to establish a shared ICT service between Haringey, Camden and Islington Councils;
- 3.2 To agree that a formal executive Joint Committee be established, comprising six members, two members appointed by each of the London Boroughs of Camden, Islington and Haringey, to oversee the shared service, with a view to review options for commercial operating model within 12 months;
- 3.3 To note that the Leader, subject to the Cabinet agreement of 3.1 and 3.2 above, will, in consultation with the Cabinet Member for Resources, make any further decisions required (and makes any appropriate delegations to officers) as to the terms of reference and operation of the executive Joint Committee and associated agreements;
- 3.4 To authorise the Chief Operating Officer to enter into a joint agreement between the Council, Camden and Islington Councils (as approved by the Leader) and any additional legal documentation necessary for the establishment of the shared ICT Service. This does not extend to the establishment of any future commercial governance arrangement and operating model, which would require separate member approval;
- 3.5 To agree the Council's maximum contribution of £2.5m to a total cost-of-change budget of a maximum of £7.5 m to support the transition across the three boroughs;
- 3.6 To note that costs and savings for the core service offering will be shared on equal basis between the three boroughs subject to due diligence and that any variation shall be agreed by the Chief Operating Officer.

4. Reasons for decision

- 4.1 The current corporate plan and priority outcome programmes continue to create demand for different IT skills and resources which are necessary for delivering these transformation programmes.
- 4.2 The changing world of public services with increasing financial pressure will ultimately require innovative solutions and greater need for rapid service

transformations. Sharing ICT resources with neighbouring local authorities will help the Council to deliver this transformation at greater speed and reduced cost.

- 4.3 The research published by LGA in 2015 identified 416 shared service arrangements between the councils across the country resulting in £462m of efficiency savings. In Greater London there are 46 examples of shared services.
- 4.4 The development of shared services with Islington and Camden will allow us to develop digital skills to respond more effectively to changing demands on our services.
- 4.5 Joining the shared services with Islington and Camden will help the Council in:
- Delivering value for money and cashable financial savings,
 - Consolidating the expertise and best practice from all three ICT services into one integrated and high-performing service, and
 - Creating a public service structure that is resilient and is able to better withstand market conditions from both local government and beyond.
 - Benefit from the transformational projects which have been already delivered in Islington or Camden.
- 4.6 The shared IT services will allow us to deliver improved digital services as set out in the council's corporate plan at reduced cost through sharing of resources and skills with Islington and Camden.
- 4.7 The shared services proposal will allow the council to continue improving its digital offer while delivering substantive savings.

5. Alternative options considered

- 5.1 Officers and lead members from the Council have carefully considered the underlying business case. It is felt that there is a sufficient level of benefit – both financial and otherwise – to recommend the Council joining the shared service in a joint committee model.
- 5.2 At this stage there is not enough evidence to justify setting up a commercial model for the shared service on October 2016. Further research will be carried out over twelve months after the Joint Committee set up goes live in October 2016 to assess if the joint service should adopt a commercial model.
- 5.3 There is a significant pressure to support the Council wide transformation. The pressure to support and deliver more with fewer resources often results in employing short term resources. This option often increases cost of delivery in short term. The shared service model will allow the Council to share existing resources more effectively across the three boroughs and even better value for money for residents of each borough.

- 5.4 The current savings profile for ICT service has achieved savings of £35k for financial year 15/16 and £170k for 16/17. The savings profile of the shared services business case as summarised in the table at 7.12 sets out significant savings which are higher as a result of joining the ICT service with Islington and Camden.
- 5.5 Should the Cabinet decide that we do not engage in shared services with Islington and Camden, the Council's ICT service will continue to deliver ICT services in its current format.
- 5.6 We have considered the option of outsourcing the ICT service ,both to the public sector and to the private sector. The ICT service currently has various contracts with private sector organisations for some service elements as they provide value for money. It is not envisaged that at this stage the pursuing full outsourcing will provide greater benefits than the shared services option. The shared services option provides more benefits than just financial benefits for the Council.

6. Background

6.1 Review background

- 6.1.1 In March 2015, Camden and Islington Councils commissioned SOCITM (the Society of Information Technology Management) to carry out a high-level assessment of the Information and Communications Technology (ICT) services in all three organisations and to consider the possibility of establishing a shared service.
- 6.1.2 Following this review, SOCITM found clear alignment both in the strategic direction of the councils and in the outcomes required from their respective ICT functions to deliver change and support future savings plans within their organisations.
- 6.1.3 In September 2015, both Islington and Camden Council cabinets approved the report and formally created a Shared ICT Service between the councils. The new shared service will go live in October 2016.
- 6.1.4 In August 2015, the Council made a decision to explore options to join the shared service set up by Camden and Islington ,to benefit from the opportunity it presents to expedite and deliver change for the Council .
- 6.1.5 SOCITM were appointed to carry out an exercise to review benefits and establish a possible business case for the Council joining the Islington/Camden shared service.
- 6.1.6 Following stakeholder engagement exercise both within the ICT service and across the Council, SOCITM presented the business case that recommends the Council joining the shared service with Islington and Camden.

6.2 Review Process

6.2.1 The review process included a wider engagement with stakeholders across the council.

It included -

1. Engagement with the senior stakeholders in the Council to assess appetite and potential blockers
2. Engagement with the IT staff and IT management team
3. A review of the revenue spend in the Council and comparison with the spend profiles for Camden and Islington
4. A review of the technology and architecture of the Council and the degree of alignment with Camden and Islington
5. A review of key documents and previous IT reviews

6.2.2 A detailed Infrastructure and applications review was conducted with IT management to assess risks and opportunities relating to the joining of the infrastructure and applications across the three boroughs. The focus of the review was on the current infrastructure and applications used by the Council and how these compare to the associated elements of both Camden and Islington.

6.3 Review Findings

6.3.1 Shared risks and challenges

The review found a number of common risks and challenges that are faced by all the three councils. These include:

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The role of Digital in the Transformation Agenda: In response to the challenging financial environment, the financial strategies of all three organisations have been to prioritise a more transformative approach, avoiding short-term relatively low savings. The use of ICT and further digital innovation is seen as a critical enabler for transformational change throughout all three organisations. It is, therefore, critical that the councils have a high quality, responsive and resilient ICT service. The lack of skilled ICT resources will have direct impact on the Council's ability to deliver transformational services to its residents.

Employment Market: Islington, Camden and the Council's ICT Services are operating in a highly competitive market with a shortage of high-quality ICT staff. Given the skills set required, the Council, Camden and Islington are competing with employers from both the public and private sector and have ongoing difficulties in recruitment and retention. Looking ahead, this represents a significant risk to future service delivery. The cost of recruiting short term resources also has added risk of increasing the cost of delivery of IT projects. The joint shared services will help to share skilled resources.

Government cuts: The funding outlook for local authorities following the General Election in May 2015 remains very challenging. It is highly likely that funding for local government will continue to fall and that all the three councils will remain under intense pressure to reduce their expenditure over the medium term. The Council has estimated that it will need to deliver a combined total savings of £70m by 2018/19.

6.3.2 Opportunities

The review was undertaken to develop and validate a high level business case for the Council joining the Islington/Camden Shared service. The review also identified opportunities to align the objectives set out by the Islington and Camden shared service.

The opportunities and benefits for The Council from joining a shared arrangement are similar to those identified by Islington and Camden. Some of them are:

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- 1. Financial Savings:** The shared service arrangement would be expected to deliver cashable savings of £2m per annum for the Council through joining teams and sharing resources across the three councils.

The table in 7.12 explains the breakdown of figures.

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2. Sharing Best Practice and Learning:

The review found significant commonality in corporate transformation objectives that offer the opportunity to save money and accelerate delivery by doing things together and sharing investments as set out in the Digital Strategies across the three councils. These opportunities include:-

- Customer Access
- Workforce collaboration and mobile working
- Health & social care Integration

The review also identified significant commonality in the use of key service applications that offers opportunity to align applications support, improve supplier management and potentially consolidate applications in future to drive further savings and service improvements. e.g.:

- The same system (Northgate M3) is used across all three councils for buildings control, planning and land charges;
- The Council uses the Impulse and Mosaic systems for Adults and Children's Social Care – the same as Camden;
- The Councils use Northgate's iWorld for Revenues and Benefits

Like Camden and Islington, the Council has a need to review its future data centre provision due to the planned closure of Techno Park in 2017. This offers a significant opportunity to take an integrated approach across the three councils and develop a consolidated data centre infrastructure that will save

money, improve resilience and provide a platform to widen the partnership further or provide services to other public sector bodies.

3. An enriched and rewarding working environment: The creation of a shared service would also provide staff with the opportunity to work in an integrated way across three large organisations. This would create a greater range of career and work development opportunities. It would also open up the potential, in the medium term, for local apprenticeships and links to educational establishments. It is hoped that this strategy would help to manage the current risks around recruitment and retention and ensure that the organisations benefit from a wider and deeper talent pool of staff.

4. Short to medium term opportunities to align resources: In addition to the opportunities cited above, the review also identified a series of benefits that could be delivered in the short to medium term. These include:

1. Accelerate the integration of support for systems and infrastructure (e.g. single helpdesk, shared networks) to deliver more immediate financial savings, improve knowledge sharing and reduce dependency on agency staff,
2. The potential to accelerate the implementation of digital platforms that are being successfully used in one Borough – but not yet available in the others - to deliver savings and transformation.

7. Financial implications

7.1 A high-level financial analysis has been undertaken of the existing services and the financial benefit that could accrue from a shared arrangement. This high level analysis anticipates delivering annual savings of £2m for the Council once the joint service is fully operational.

7.2 The anticipated savings are based on the understanding of current high level Target Operating Model (TOM) and the delivery of further development of a detailed TOM. (Appendix B)

7.3 The majority of these savings would come from a rationalisation of the workforce and a reduction in FTE staff numbers as the service moves from a standalone service to a joint service arrangement. This integrated operating model would require fewer management and supervisory posts. It would also be expected that there would be a further reduction in the workforce from process efficiencies as all three councils would benefit from integrated networks, data centres and common applications.

7.4 At this stage the high level financial analysis by SOCITM forecasts a potential reduction of 16 FTE staff against the total of 91 FTE staff for the Council .

This figure is based on the total savings forecast divided by the average cost of a FTE member of staff. The ICT service currently carries 12 vacant posts. The exact size of the FTE staff reduction will require further work on the Target Model Operating model and detailed financial analysis.

- 7.5 In addition to the workforce savings, the financial model assumes 11% savings on non-staff costs through the removal of duplicated spend and the integration of contract and software licensing. This is based on the research of other shared ICT services. The experience from other ICT shared services have over time delivered savings of close to 20%. This is seen as a prudent estimate.
- 7.6 To implement these arrangements, SOCITM has concluded that upfront investment in the region of £2.5 million will be required from the Council. It is thought that this is a prudent estimate and it is expected that these costs will be driven down as the project is implemented.
- 7.7 It is also anticipated that some of the investment costs for the Council may reduce taking into account progress made by the Islington and Camden joint service to date.
- 7.8 The anticipated costs include:
1. **Project support to aid the start-up and transition to the shared service**, including organisational development, process redesign and governance arrangements, programme management support and contract rationalisation support, procurement support and legal costs.
 2. **Restructuring costs:** This would include job design, job evaluation, assimilation, selection, recruitment costs and associated redundancy costs.
 3. **Building a common base (e.g. platform / infrastructure costs)** to bring the three councils to a common standard and approach.
- 7.9 Further work will be undertaken to validate and agree the baseline budgets in detail and to estimate the savings and investment cash flows to inform the councils' financial plans. All three councils will need to identify capital and revenue investment funding for the project costs during the transition.
- 7.10 The Council has set aside earmarked reserves to cover redundancy costs. It is expected that the Council's redundancy costs will be met from those reserves.
- 7.11 The Council's share of the investment costs is currently approximately £2.5m, though, it is expected that this level of investment will be driven down as plans are developed further.
- 7.12 High Level Financial Analysis.

	Total
Summary	£000s
Total Annual Savings	6,000
Total Investment Cost	7,500
End State FTE Reduction	66
Annual Savings	
Staff Savings	3,400
Non staff savings	2,600
Total Annual Savings	6,000
Investments and One-Off Costs	
Project Team Cost (External)	3,000
Capital Investment	2,500
Severance Pay	2,000
Total Investment and One-off Costs	7,500

8. Treatment of Financial Savings and Costs

8.1 Given the financial imperative, the shared service will need to deliver financial savings for all three councils. Consideration has been given to how this arrangement could work. There appears to be a range of options to apportion the financial benefits, including:

- Understanding where individual savings fall and allocating them accordingly,
- Distributing the savings according to the existing expenditure baselines of the councils, or
- Sharing the savings across the three councils as detailed above.

8.2 Each of the options above has both merits and drawbacks. While fairness is a key consideration, this must be balanced against the need to avoid unnecessary complexity and bureaucracy. It is also felt that any arrangement should align with and not undermine the spirit of the proposed integrated service delivery model.

8.3 In line with the above, it is also anticipated that the agreed project investment and one-off costs will be shared across the three councils as defined in 7.12.

8.4 There may well be occasions when each council will wish to invest in a local priority. Equally, there may well be times when one council is slightly more

advanced than the other in a certain area of the business and in order to progress a joint undertaking, that council will require further investment. In these instances, it would be expected that the costs of any focused investment would fall directly on the council in question.

9. Target operating model

9.1 The business case states that in order to deliver the benefits of shared service; all the councils will need to align the structures to a new TOM. The shared services have proposed to adopt seven guiding principles (Appendix A). At their core, these principles aim to ensure that current activities are aggregated as much as possible into a range of cross-cutting portfolios to deliver cost savings and to facilitate greater synergies, joint investment, and knowledge sharing and common approaches.

9.2 The new integrated proposed TOM across the three councils (Appendix B) will create a joint team across the three councils to facilitate and improve functional service delivery.

The key functional overview is as below:

- **The Digital Change function** will ensure that any digital developments are aligned with the strategic priorities of the councils at both a departmental and corporate level.
- **An Applications Support team** will have responsibility to support corporate and departmental systems.
- **The Common Infrastructure function** will lead on the integration and consolidation of underlying infrastructure.
- **The Strategy and Architecture function** will have responsibility for the overall strategic direction and operational performance of the service.

9.3 The aim of this project is to create a resilient ICT service that is fit for purpose in delivering improved ICT services across the three councils. The service will jointly support and deliver transformation projects across all service areas and priority outcomes. The aim is to create a service that has a strong brand which attracts and retains high calibre resources in the market.

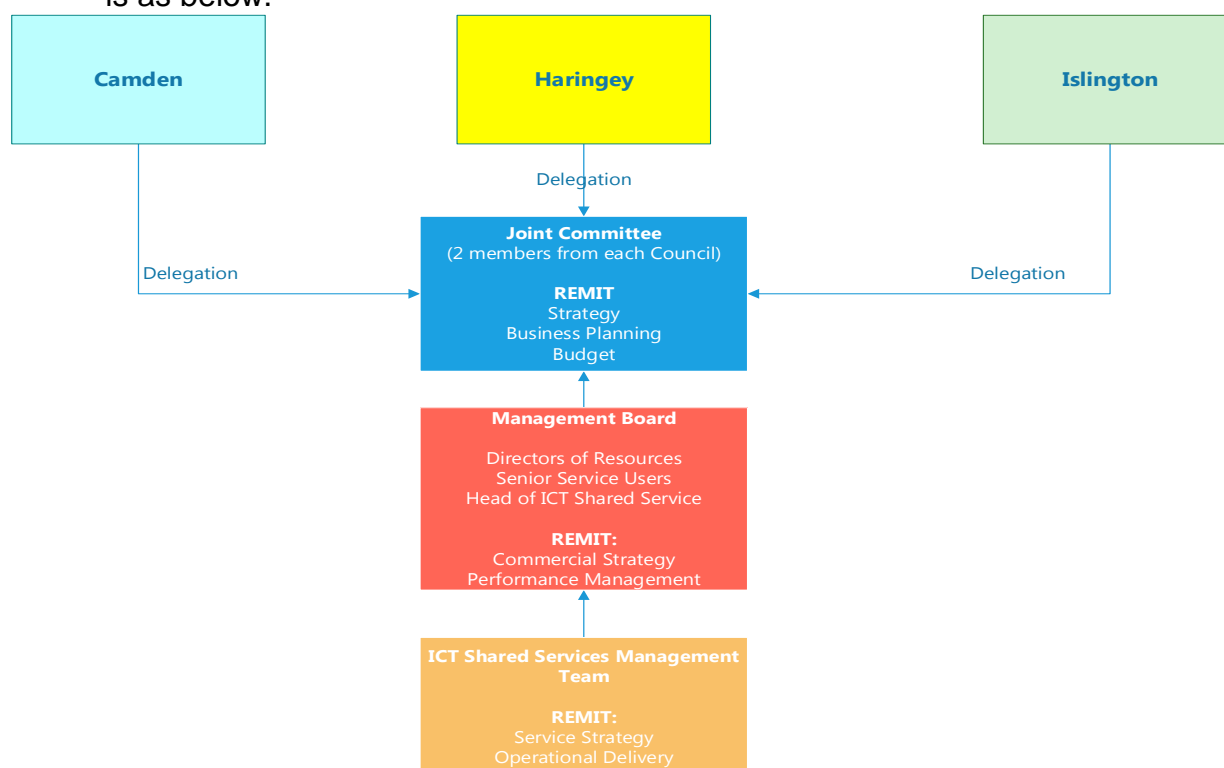
9.4 The shared service will be led by a single Head of IT service across the three councils. The post holder will have strong links with the Chief Operating Officer at the Council .

9.5 The post holder will have direct line management by Camden Council and will be accountable for performance to the management board and to the Joint Committee ,which will be comprised of members from across the three councils. It is planned that the recruitment process to fill this role will include both senior officer and member involvement from all three councils. If these proposals are approved by all three councils, the recruitment process would be expected to start in April 2016

- 9.6 At the outset, existing staff in the Council will not be transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) ‘to another employer but will, as necessary, provide services to the Camden Council under a secondment agreement, given that Camden Council will take a lead role in the shared service in certain respects (see paragraph 11.5) This agreement will be subject to staff consultation. HR activities for the Council’s employees will remain with the Council .
- 9.7 The longer term option to operate under a more commercial framework means that there is an ambition to move towards a harmonisation of employment terms and conditions over the next 24 months. In line with the employment practices of all three councils, this will be subject to a formal staff consultation process.

10. The Governance Framework

- 10.1 The review recommends that the Council adopts the governance framework which has been agreed by Islington and Camden Councils through the initial exercise of defining the governance for those two councils.
- 10.2 This governance structure recommends a Joint Committee structure which has been recommended as a quickest route of operation. The recommended model is as below.



- 10.3 Further details and terms of references of the Joint Committee are detailed in Appendix C and Appendix D
- 10.4 A Management Board would be established to be responsible for the delivery of the overall service strategy and for managing overall operational and financial performance. The membership of the Board would include three senior officers from each council and the Head of the Service. The representatives from each

council would include the respective director of finance (in the Council, the Chief Operating Officer) and two senior service users.

11. **Resourcing Impact**

- 11.1 The Council will continue to work with both Islington and Camden to develop a detailed resource plan for the joint shared service arrangement. At this point in time, the high level TOM has been prepared and proposed; but a detailed TOM is yet to be discussed and developed.
- 11.2 The ICT teams from the three boroughs will be joined in a pool of staff to create the shared service resource pool.
- 11.3 The detailed TOM will be developed before a joint recruitment process begins. The Council's redundancy policy will apply for the Council's staff.
- 11.4 The likely impact on the number of staff in Haringey is estimated as detailed in Para 7.4. At this stage, it is impossible to identify which posts will be affected.
- 11.4 It is not envisaged that the project will have any negative impact on the Council and the current ICT service provision whilst we continue to build the shared team. The new joint team will have positive impact on all the three councils in terms of providing added resilience and skilled IT resources.
- 11.5 It is proposed that Camden will be the lead employer for the shared service once the Joint Committee is established. Any new posts will be recruited on Camden's terms and conditions. Camden will lead on HR activities for the new posts . The associated staffing costs would be captured within the budget of the joint service and funded through the broader resources of the service. It is also recognised that there will be a need for agreed systems and processes that provide sufficient reassurance to the Council and Islington Council that decisions and actions are being taken by Camden Council within its legal and statutory responsibilities. It would be the responsibility of Camden to provide a range of required support and advice services such as finance ,procurement and HR
- 11.6 A detailed plan is being developed through a joint board to ensure there is minimum negative impact on ICT service delivery whilst ensuring that we maximise opportunities to generate savings with some early wins.
- 11.7 It is to be noted that any changes that may impact such as changes to infrastructure and service desk will be scoped in detail and that the delivery of these changes is anticipated to go live at later stage in the project. This will ensure there is no impact on the Council's staff of any changes such as changes to the HelpDesk system in October 2016.
- 11.8 There are three key projects that have been prioritised for early delivery. These are:
 - **Data Centre Strategy and Consolidation.**

The data centre strategy and consolidation will pursue a strategic approach to data centre strategy allowing medium term realignment and savings. It is planned that the project will reach conclusion on initial steps and long term strategy by the autumn.

- **Sharing and Defining of Architecture.**

There is a significant scope for application consolidation between the three councils and the scoping work has already begun. In addition integrating the network architecture at an early stage will enable many of the practical benefits of the shared service for ICT staff and users.

- **Review of ICT Supplier Contracts.**

An initial review of Islington's and Camden's ICT contracts is underway. This will be expanded to include the Council should the councils all agree the proposed three council shared ICT service. An early review of contracts will look to identify opportunities to consolidate, renegotiate, procure jointly, share the same contract rates and many more should the decision to enter into a shared service be approved. The SOCITM review of the Council's ICT contracts confirmed there are no blockers to the shared service model.

11.9 There has been extensive formal engagement with the Council's ICT service staff concerning the proposal to create a shared service. This has taken place through staff briefings and extended ICT service management team workshops. Management has also engaged with the trade unions from the outset. They have seen drafts of this report and have also been briefed at People Management meetings and in one to one meetings with the Head of the ICT Service

12 Contribution to strategic outcomes

12.1 This report seeks approval to create a shared service which in principle will allow the ICT service access to more resources, thus improving its ability to support all current corporate priority and transformation programmes.

12.2 The shared service approach will also allow the Council to reduce the current costs of short term resources required by transformation programmes and priority outcomes.

13 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities

Head of Procurement

13.1 There are no procurement implications related to the sharing of resources and services as described in this document; however consideration should be given to any existing contractual arrangements that may be impacted (i.e. consolidating software and license agreements, termination or variation clauses etc.)

Chief Finance Officer

- 13.2 The Council's current medium term financial strategy (MTFS) only includes £205k savings from IT, £35k of which has already been achieved during 2015/16. Whilst Members need to be mindful that the on-going revenue savings of £2m outlined in paragraph 7.12 of this report are only an estimate, even if less is achieved it will still make a net additional on-going contribution to the Council's £70m savings over the lifetime of the current MTFS and corporate plan. It should also be underlined that the recommended shared service offer is expected to deliver benefits over and above purely financial ones which are compelling.
- 13.3 The work undertaken by SOCITM suggests that tangible cashable savings should not be expected until 2017/18. Further work and analysis will be required to more accurately predict this.
- 13.4 The current recommended approach to attributing eventual savings & investment is to do it on an equal shared basis. As a consequence of the different skills, infrastructure and maturity of each organisation this may mean that the Council realises less financial benefit than under an alternative model . However this approach is likely to bolster and support good partnership working under the proposed governance arrangements which should offer greater benefits in the longer term; it is also expected that this will be kept under review as more detailed work continues to refine the figures.
- 13.5 The Council will need to identify funding for the required one-off investment but given the estimated cost and savings and the fact that a corporate redundancy reserve already exists to cover some of the investment, this is a real invest to save opportunity.

Assistant Director of Corporate Governance

- 13.6 This report proposes the establishment of an executive joint committee with the London Boroughs of Islington and Camden to govern the operation of a shared ICT service. A joint committee performing executive functions is constituted under section 101(5) of the Local Government Act 1972, as applied by section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 (SI 2012/1019).
- 13.7 These regulations empower the Leader and Cabinet to make arrangements to discharge their functions with other local authorities via a joint committee created for that purpose. The regulations set out how such committees are established; how members are appointed and their term of office determined;

and how the scope of the committee is agreed. Appointments to the committee, in this case, may only consist of Cabinet members of each borough. Either the Leader or the Cabinet will be required to agree appointments to the joint committee and the functions which are to be delegated to the committee.

- 13.8 The joint committee will be subject to the full rigour of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, including listing all key decisions on the forward plan, and decisions being subject to call-in by each of the three boroughs.
- 13.9 It is proposed that all staff working in the shared service will remain employees of their original borough, and will, if necessary, work under secondment agreements. It is thought to be unlikely that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) will apply to the setting up of the shared service, as the Joint Committee is a piece of administrative machinery through which the three councils will continue themselves to carry out ICT activities, but in co-operation with one another. Leading Counsel has now advised to this effect. The council will be liaising with the London Borough of Islington and London Borough of Camden on its position on TUPE.
- 13.10 In September 2000 the Council entered into an agreement with the trade unions called “Council/Trades Unions Agreement on Trades Unions Involvement in Outsourcing”. That agreement provided that prior to making a decision to outsource a service the Council needed to consult with the trade unions over a proposal to outsource a service. The agreement does not define “outsource” but it is arguable that the setting up of the shared ICT service could be an outsourcing of the Council’s ICT service. As such the trade unions have been consulted over this proposal, and the Cabinet will be informed of any comments from the trade unions, and management’s response to them, when it considers this report.
- 13.11 Any decision to alter the governance model of the shared ICT service, for example a move to a more commercial governance arrangement and a separate company, will require further legal advice and decision(s) at member level.
- 13.12 The proposed terms of reference for the Joint Committee provide for it to meet twice a year and at least once every six months. Given the setting up of the Joint Committee will be a significant development, and given the ICT service is a business-critical function, Members may consider that to maintain an appropriate level of Member oversight the Joint Committee should meet four times a year, in each three month quarter.

Equality Impact Analysis

13.13 The Council has a public sector equality duty under the Equality Act 2010 to have due regard to the need to :

- Eliminate discrimination, harassment victimisation and any other conduct that is prohibited by or under the Act advance equality of opportunity between people who share any of the protected characteristics of age, disability, gender reassignment, , pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation and people who do not
- Foster good relations between people who share any of those characteristics and people who do not.

13.14 Further to Cabinet approval, a detailed Target Operating Model will be discussed. The proposed changes will affect staff working in the Council , Islington and Camden. A full assessment of the staffing impact will be carried out as the project begins implementation.

13.15 An EqIA has been completed in relation to the proposal for Haringey to join the shared ICT service. As the shared service will be largely about changes to IT infrastructure it is not anticipated that the arrangements will have any impact for our equality duty in relation to public facing IT services. Any future proposed changes to frontline service delivery would be subject to further consultation and decision.

13.16 It is anticipated that the proposed model would have positive benefits for staff in terms of greater development opportunities. However, future decisions made as part of the shared service arrangement may also have a negative impact for staff in terms of rationalisation of current staffing levels, although this is not anticipated to be beyond what would be required through future savings targets. A full assessment of the staffing impact will be carried out as the project begins implementation and the EqIA will be updated to reflect future decisions taken as part of the shared service arrangement.

14 Use of Appendices

Appendix A: Design Principles for a Responsive Shared Service

Appendix B: Proposed Target Operating Model

Appendix C: Governance Frameworks

Appendix D: Joint Committee Terms of Reference: DRAFT

15 Local Government (Access to Information) Act 1985

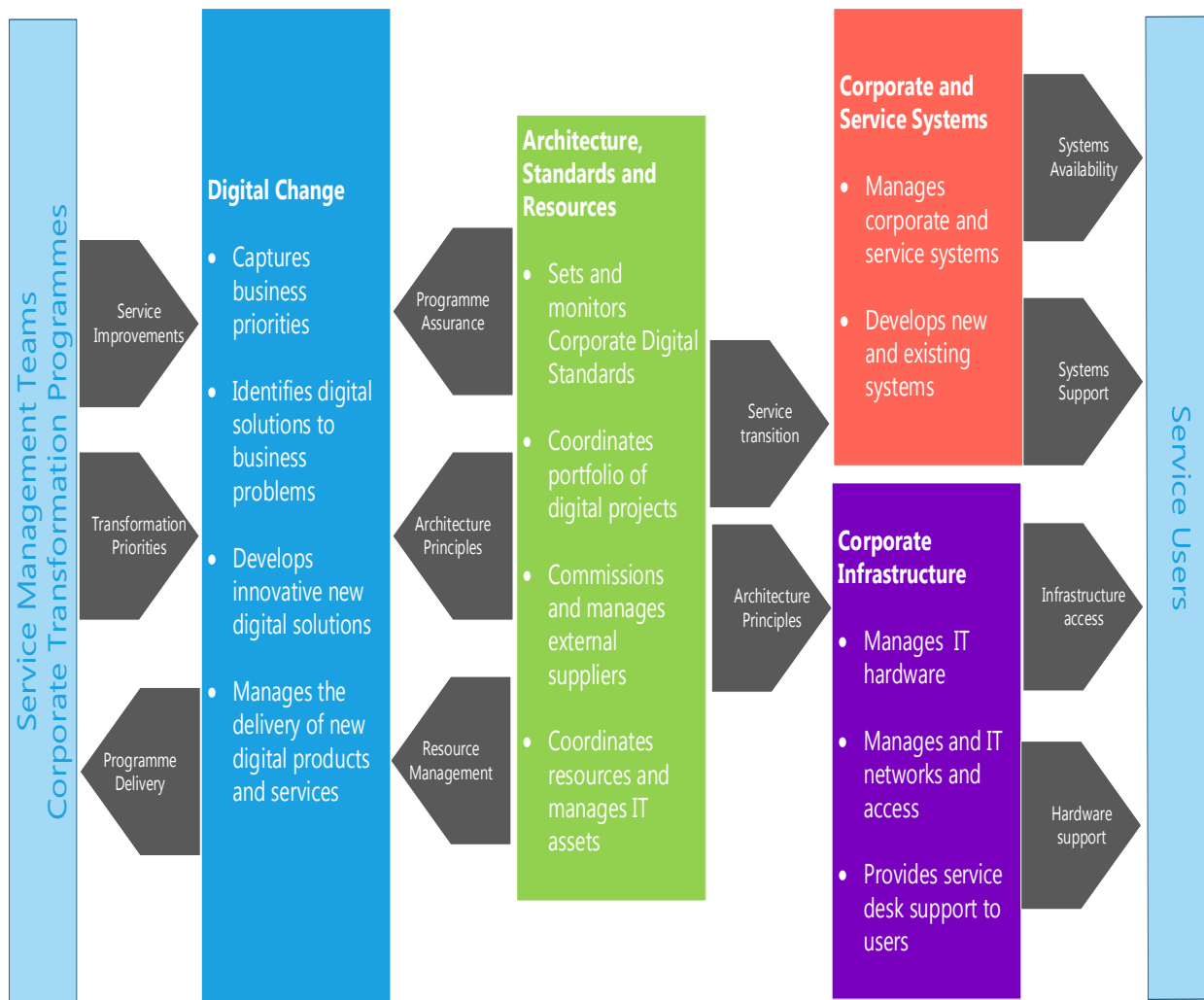
No documents required to be listed were used in the writing of this report

Appendix A: Design Principles for a Responsive Shared Service

1. Partnership based on an integrated model of delivery that will ultimately save money & accelerate innovation.
2. Responsive to customer need through partnership and alignment to corporate strategy & business driven approach to the allocation of resources.
3. Embedded in and with service needs through a strong and effective business partnering model.
4. Optimised through demand aggregation, integrated programme management and standardisation.
5. Delivers economies of scale through shared infrastructure & applications support services.

6. Provides resilience through shared knowledge and joint teams.
7. Deliver transformation capabilities & accelerate innovation through specialist teams building on shared expertise from the three teams (e.g. mobile working, customer access development skills).

Appendix B: Proposed Target Operating Model



Appendix C: Governance Frameworks

A. Joint Committee

Features

A formal local authority committee constructed under Section 101 of the Local Government Act 1972 with responsibility for policy-setting delegated by principal local authorities

Serviced by designated officers

Positives

Staff remain employed by their respective Councils – i.e. no TUPE impact

Allows a simple delegation of authority functions

Simple Governance structure that is tried and tested

Fastest way of establishing the Shared Service

Enables several longer-term structures to be considered as the Shared Service arrangement evolves – can form the basis of a move to a more commercial company structure once established, if desirable
Democratic accountability is maintained – member involvement at the heart of the entity
Provides the opportunity to create a sense of partnership identity through a separate ‘brand’ that distinguishes the service from the founding service departments and provides the basis for culture change

Challenges

Can be bureaucratic - competing viewpoints within the Joint Committee increases the risk of more cumbersome strategic decision-making
The ability to “trade” is subject to legal challenge – need to ensure external service provision remains within legal boundaries.
May not drive culture change – may be difficult to create a sense of separate identity and joint enterprise
Limited scope to introduce commercial expertise (if trading is a driver)
No corporate entity to be able to contract or own property in own name (e.g. one of the principals needs to lead for external contracting) – if the Joint Committee was to contract in its own name each member of the Committee would be jointly and severally liable for claims for breach of contract

B. Wholly Owned Company

Features

Separate legal entity set up by the principal local authorities - owns assets, employs staff and able to contract in its own right
Company controlled by the local authorities – likely to be Company Limited by Guarantee with each local authority a company member – with purpose set out in memorandum and articles of association

Positives

Distinct legal status
Provides the opportunity to create the necessary terms and conditions of employment to attract and retain the best talent in a highly competitive market without impacting on the three Councils

Appendix D: Joint Committee Terms of Reference: DRAFT

Membership:

1. The Committee shall comprise of six members, two appointed by each of Camden, Haringey and Islington Council.
2. One member appointed by each council should be the relevant Cabinet/Executive member responsible for technology.
3. Every member appointed to the joint committee shall be a member of the Executive/Cabinet of their council. Political balance rules do not apply.

4. Each Council may nominate substitute Members to attend meetings of the Joint Committee, should an appointed member of the Committee be unavailable or unable to attend a meeting of the Joint Committee. A substitute Member attending in the absence of an appointed member must be a member of the Executive/Cabinet of their council and will have full voting rights

5. Each Member of the Joint Committee shall be appointed for an initial period of three years but shall cease to be a member if he or she ceases to be a member of the council appointing him or her or of its Cabinet/Executive.

Terms of Reference:

The Camden/Islington/Haringey Joint Committee will:

1. Provide democratic oversight over the strategic delivery of the joint digital service provided to Camden, Haringey and Islington councils through powers delegated to it by all three Executives.

2. Approve the strategic service and financial plan for the service and the performance measures to ensure services are delivered to the agreed standard and within the resources provided by all three councils.

3. Receive updates on the Business Plan and the performance of the Joint Service.

4. Approve revisions to the Terms of Reference of the Haringey/Camden/Islington Joint Committee to be referred back to individual Cabinets for approval

5. Receive and consider a detailed report, within twelve months of the creation of the Joint Committee [by October 2017] that considers the options for the Shared ICT Service to be delivered via a wholly owned company rather than a Joint Committee structure and make recommendations to the Cabinet/Executive of Camden, Haringey and Islington Councils in respect of the report.

Meetings of the Committee:

1. The Joint Committee will meet twice a year and shall meet at least once every six months. Additional meetings of the Joint Committee may be called by the Chair of the Joint Committee and shall be so called on the request of the Head of Paid Service of authority, the Management Board or any two members of the Joint Committee.

2. Meetings of the Joint Committee shall be held at the venue or venues as agreed by the Joint Committee.

3. The Joint Committee shall appoint one of its members as Chair and that member shall remain Chair for one year unless he or she ceases to be a Member of the Joint Committee. The Chair will rotate between each authority on an annual basis with the vice-chair to come from one of the other authorities.

4. A meeting of the Joint Committee shall require a quorum of at least one Member of each Council who are entitled to attend and vote. If there is a quorum of members present but neither the Chair nor the Vice Chair is present, the Members present shall designate one Member to preside as Chair for that meeting.

5. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Members of the Joint Committee immediately present and voting thereon. Subject to the provisions of any enactment, in the case of an equality of votes the Chair shall have a second or casting vote but before exercising this, the Chair shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee.

6. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.

7. Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair.

8. Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under paragraph 10.

9. Any decision of the Joint Committee which is a Key Decision shall be published by the Joint Committee and the relevant Council(s) in accordance with the Local Government (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

10. The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A (3) of the Local Government Act 1972 or exempt information as defined in section 100I of the Local Government Act 1972 would be disclosed to them.

11. Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the Joint Committee is subject to call in by a Council, the Joint Committee shall take no action to implement that decision until after the call in process is completed. The Joint Committee may delegate a function to a Sub-Committee, or an officer of one of the councils.