	Council	**16ᵗʰ June 2015**	**Matter for Decision**

Title:	**ICT DELEGATED SERVICE**

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1 Introduction

The purpose of this report is to provide Councillors with an update on the ICT Shared Service and the successful bid for the Transformational Challenge Award (TCA).

In January 2009 Oadby and Wigston Borough Council delegated its ICT Service to Hinckley and Bosworth Borough Council (HBBC), to set up a Shared Service arrangement. The prime benefits of the arrangement were to reduce ICT running costs and provide greater resiliency.

Since 2009 the Shared Service has grown further with Blaby District Council (BDC) and Melton Borough Council (MBC) joining the partnership. This has brought about further savings and increased procurement power still further.

Hinckley and Bosworth Borough Council, as the delegated lead, have delivered the service in conjunction with an outsourced provider Steria. The contract with Steria is due to terminate in March 2016 and HBBC are currently leading a procurement exercise to renew that contract.

2. Recommendations

It is recommended that Members:

2.1 Confirm their commitment to the continued delegation of the ICT service to Hinckley and Bosworth Borough Council, in partnership with Blaby District Council and Melton Borough Council and to the new outsourced Contract;

2.2 Confirm that Oadby and Wigston Borough Council will take a full and active role in the consultation on the future of the service and the proposed procurement exercise;

2.3 Acknowledge the Transformation Challenge Award Bid for ICT and Electronic Customer Services**.**

3 Information

3.1 Shared Service Benefits

The ICT Shared Service has been a success in a number of areas; the cost of the ICT Resource has reduced by £38,000 per annum, shared procurement has delivered a further saving of £15,000 per annum, and during the six years that OWBC has been part of the Shared Service significant technology refreshes have been introduced with little day to day impact. Some examples of which include Server Virtualisation,

Windows 7 upgrades, implementing a Remote Access Solution, and introducing a Central Government accredited network,

The Shared Service has also improved resilience for the Authority both in terms of staff and technology. OWBC now have a larger pool of staff to call upon, with a greater range of expertise; and specialists in Web Development, Uniform and Geographical Information Systems. The latter being particularly beneficial in the development of service areas, improvements have been made to the Housing System, the Refuse and Recycling system as well as Revenues and Benefits system. All of which would have been more expensive if undertaken by OWBC alone.

The Technical infrastructure is also now more resilient. OWBC is linked to Blaby District Council as well as Hinckley. This provides alternative routes to access the internet as well as core systems such as Revenues and Benefits. The Servers are also backed up to Hinckley to provide a fully resilient Disaster Recovery solution.

3.2 Transformation Challenge Award
In addition to the benefits accrued directly through the Shared ICT Service, OWBC has also benefited from a joint TCA bid; this has brought in £60,000 towards the new Customer Services System (CRM) which is pivotal to the move to Bell Street. The award was open to Local Authority's that are working together to improve services to the local community and would not have been possible had the ICT Shared Service not been in operation.

A further £93,000 has been provided to consolidate the four Authority's ICT Infrastructure. This is of significant benefit to OWBC and BDC where the current Data Centre's are in need of refurbishment. The TCA bid has removed the need for OWBC to fund refurbish the Data Centre, and will reduce the running costs through the use of more efficient facilities.

3.3 New ICT Contract
The outsourced contract managed by HBBC on behalf of the Shared Service is due for renewal in April 2016 and it is HBBC's intention to tender the contract on behalf of the four Authorities. This, together with the TCA improvements, is expected to bring about further ICT savings in 2017/18 onwards of approximately £20,000 pa.

3.4 Alternative Options
There are two broad alternatives to the Shared Service option described above. The service could be brought back in-house or OWBC could procure the service directly. Both options have significant implications and would require senior management, procurement and legal resources to deliver.

Insourcing of the Service would involve TUPE transfer of staff, and the recruitment of officers to cover management and helpdesk functions. This would reverse the benefits accrued over the last six years as shared posts would need to be re-appointed.

Procuring a contract directly would provide OWBC with a service similar to the arrangement currently in place. The key difference being that the client activities undertaken by the Shared Service ie Procurement, Budget Management, Hardware Maintenance, Client Management, ICT Strategy and Policies would need to be undertaken by OWBC staff. This would be extremely difficult and likely to cost more than the contribution made to the Shared

Service. Any procured contract is also likely to be more expensive as OWBC alone do not have the economies of scale that the partnership brings.

In addition if OWBC decide to leave the partnership, the TCA funding would be put at risk and at the very least, OWBC would lose the benefits of a consolidated infrastructure.

4   Financial Implications

The Shared ICT Service has delivered the benefits and savings that were envisaged in 2009, however, further savings have also been made as partnership has grown. The Authority can progress with the partnership, which together with the TCA funding, is expected to deliver further savings in 2018/19. If the Authority decided to leave the partnership, then it is unlikely that these savings would be realised, and the Authority would need to fund a procurement exercise.

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