

Extraordinary Council

SUMMONS AND AGENDA

DATE: Thursday 7 October 2010

TIME: 7.30 pm or at the rising of Special Cabinet
whichever is the later

VENUE: Council Chamber, Harrow
Civic Centre

**All Councillors are hereby summoned to attend the
Extraordinary Council Meeting for the transaction of
the business set out.**



Hugh Peart
Director of Legal and Governance Services

Despatch Date: [Wednesday 29th September 2010]

PRAYERS

The Mayor's Chaplain, Imam Hafiz Muhammad Akram, will open the meeting with Prayers.

1. EXTRAORDINARY COUNCIL:

This Extraordinary Council Meeting has been convened in accordance with the provisions of Rule 3.1, further to a request from the Monitoring Officer.

2. DECLARATIONS OF INTEREST:

To receive declarations of personal or prejudicial interests arising from business to be transacted at this meeting, from all members of the Council.

3. IT SERVICE DELIVERY: (Pages 1 - 6)

Recommendation I: Cabinet
(14 September 2010)

4. EMERGENCY PLANNING: (Pages 7 - 10)

Recommendation II: Cabinet
(14 September 2010)

EXTRAORDINARY COUNCIL 7 OCTOBER 2010

CABINET RECOMMENDATION I

14 SEPTEMBER 2010 - IT SERVICE DELIVERY

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CABINET MINUTES

14 SEPTEMBER 2010

Chairman:	* Councillor Bill Stephenson	
Councillors:	† Bob Currie	* Graham Henson
	* Margaret Davine	* Thaya Idaikkadar
	* Keith Ferry	* Phillip O'Dell
	* Brian Gate	* Mrs Rekha Shah
	* Mitzi Green	
In attendance: (Councillors)	James Bond	Minute 43
	Susan Hall	Minute 43
	Barry Macleod-Cullinane	Minutes 43 and 50

- * Denotes Member present
- † Denotes apologies received

RECOMMENDED ITEMS

45. Key Decision - IT Service Delivery

Cabinet considered a joint report led by the Corporate Director of Finance, which set out the need for a modern and reliable IT platform to help support and ensure the delivery of the Council's Transformation Programme, also known as a Better Deal for Residents. A reference from the Overview and Scrutiny Committee setting out comments made at its meeting on 8 September had also been circulated.

The Portfolio Holder for Performance, Customer Services and Corporate Services stated that the project had been running for a significant period of time and that an important long term decision was required and one which would affect the future of the Council. He outlined the history, including the options appraisal that had been conducted previously.

The Portfolio Holder stated that a review of the IT service had highlighted a number of concerns, such as a limited capacity to support remote and flexible working and the lack of a disaster recovery system; both of which were considered to be a constraint to the future transformation of Council services. In addition, there was no consistent approach across the Council in relation to IT service delivery.

The Portfolio Holder added that, during the initial options appraisal process, other options had been considered but it had been concluded that working with Capita under the current partnership agreement would be the best option and one which would help provide value for money. At this time a decision was made by the Corporate Strategy Board (CSB) whereby authority was given to proceed with a bid from a single supplier, namely Capita, as the most appropriate and cost effective solution provider. The then Portfolio Holder had been kept informed and had fully supported the approach, including the approach for the value for money assessment that PricewaterCoopers (PwC) had carried out as part of the evaluation.

In March 2010, the Council received a proposal from Capita that would unify the core IT service infrastructure and a detailed evaluation of the bid was conducted. As outlined in the report, an in-house option was also developed in order to make a comparison. This showed that in order to deliver the same level of service, the Council would have to spend a comparable amount but the option involved greater risk in relation to its delivery.

In July, an 'in principle' decision was taken by Cabinet for the transfer of the IT service to Capita, subject to further consultation with staff and trade unions. Negotiation of the contract with Capita was also approved at the July Cabinet meeting. Since then the following strands had taken place:

- staff and unions had been consulted;
- negotiation on the proposed contract had commenced;
- work on the transition plan had started;
- a pricing model had been developed.

The Portfolio Holder added that consultation with staff had taken place and that consultation with individual members of staff would continue up to the proposed date of transfer. Staff would be provided with as many options as possible, including applying for the Voluntary Severance Scheme, and with details of opportunities with Capita to ensure that they could make informed choices. A response to the in-house bid would be presented to full Council. He outlined the issues with the in-house bid, set out at paragraph 16 of the report.

The Portfolio Holder stated that a flexible pricing model had been negotiated to take into account lower fees for a reduced number of users and vice versa, which was one of the key criteria for the contract along with a break clause after five years. The moving of all IT services into a partnership agreement would bring clarity and simplicity into a single service model, which would ultimately improve service provision and customer confidence, including productivity. Capita had committed to high levels of security to promote

remote and flexible working. As it was already in partnership with the Council, it was considered that the company was best equipped to ensure good service delivery. It also had the necessary expertise, background and vision. Although, Capita's bid was more expensive than the Council's allocated budget, there was a strong case for additional investment to be made as it would underpin a significant amount of the work of the transformation of the Council for the future. It was recognised that there had been significant under funding in the IT area for a number of years, and if the service remained in-house there would remain a need for investment. A robust and resilient IT infrastructure was required for the future.

Following the cancellation of the Building Schools for the Future Programme by the government, it was now possible to use the money set aside to ensure a robust IT service to support Council services effectively. The proposal before Cabinet was about ensuring the future provision of services that were integral to the Council's Transformation agenda, and would provide an important tool to drive efficiencies and underpin projects, such as remote and flexible working.

The Leader of the Council thanked officers for their work during this challenging period. He also thanked staff who had ensured that the system was functioning during a period of underinvestment.

A revised set of recommendations were tabled at the meeting.

Resolved to RECOMMEND: (to Council) That

- (1) the IT service be transferred to Capita with effect from 1 November 2010, or as soon as possible thereafter, subject to the completion of satisfactory contract negotiations;
- (2) the Director of Finance be authorised to finalise and sign the contract in agreement with the relevant Portfolio Holder(s);
- (3) the virement of £450,000 to cover the additional cost of the contract in 2010-11, as set out below, be approved.

From	To	£000
Earmarked Reserves - BSF	IT Service	400
Treasury Management Activity (capital financing costs and investment income)	IT Service	50
Total		450

Reason for Decision: Investment in IT was essential to underpin the Council's Transformation Programme. There was a strong case for investment in technology. The level of investment required must be sufficient to enable future transformation and the investment needed to be made sooner rather than later. Investment was required to achieve the Council's aim to have fewer buildings, fully supported by remote and mobile working.

Modernised IT services would enable Members and staff to be better supported and more productive. The Capita proposal was the preferred delivery model; the in-house alternative was expected to have a similar cost, but carried significantly more risk and was likely to take longer to transition. There were substantial cashable benefits from investment in IT in terms of wider transformation, accommodation, amongst other benefits. There were substantial non cashable benefits for Members, staff and customers. Capita had demonstrated that every effort would be made to mitigate the impact on staff directly affected by the transfer of services. An open tender would be costly to run, take a long time and delay service improvement, and the result would probably be the same.

[Call-In does not apply to the Recommendation].

EXTRAORDINARY COUNCIL 7 OCTOBER 2010

CABINET RECOMMENDATION II

14 SEPTEMBER 2010 - EMERGENCY PLANNING

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CABINET MINUTES

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Councillors:

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James Bond	Minute 43
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(Councillors)

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RECOMMENDED ITEMS

46. Key Decision - Emergency Planning

Cabinet received a report of the Corporate Director of Finance, which referred to the provision of a co-ordinated response in emergency situations. Cabinet noted that, as part of the arrangements for dealing with major incidents or emergencies in London, all boroughs and the City of London were being asked to adopt the 'Gold Resolution'. In addition, the report set out the arrangements for Mutual Aid across London.

The Portfolio Holder for Performance, Customer Services and Corporate Services stated that, once adopted, the 'Gold Resolution' would allow the delegation of certain powers to the 'Gold Chief Executive', and would help ensure a co-ordinated response in emergencies, including that the arrangements were 'fit for purpose'. He added that it was necessary for all 33

London authorities to formally agree and accept the addendum to the Local Authority 'Gold Resolution' before it could take effect.

The Portfolio Holder identified the key aspects of the report, which were the 'Gold Resolution' and the Memorandum on Mutual Aid. He added that rota arrangements would be put in place following the adoption of the 'Gold Resolution', and he also referred to the involvement of the police in this regard. Cabinet was informed that the Memorandum on Mutual Aid was a set of guidelines for providing mutual aid between participating boroughs but that it was not legally binding and was a voluntary arrangement.

Resolved to RECOMMEND: (to Council) That

- (1) the Addendum to the Local Authority 'Gold Resolution' be approved;
- (2) the Memorandum on Mutual Aid be adopted as part of the Council's Constitution.

Reason for Decision: Following practical experience in exercises and recent serious incidents, the 'Gold Resolution' had been reviewed and additions identified to ensure it was fit for purpose in the future.

[Call-In does not apply to the Recommendation].