

LONDON BOROUGH OF HARROW

CABINET – 15 JANUARY 2014

REFERENCE FROM OVERVIEW AND SCRUTINY COMMITTEE – 17 DECEMBER 2013

MINERVA PROJECT UPDATE

Members received a report from the Corporate Director of Resources which set out progress to date on a new Council project, Project Minerva, which was forward planning for savings in a number of Council departments post 2015. The Project was also considering future plans in relation to the Council's IT and Business Transformation Partnership services currently managed under a partnership agreement with Capita.

The Chair drew Members attention to the tabled documents which included appendix to the report of the Corporate Director. The Corporate Director advised that the appendix focused on the analysis of the recommendations and that it had been necessary to table the document as the information had not be ready to be made available in the public domain at the time the agenda was printed and circulated.

Members, in noting that the appendix contained some Part II exempt information, agreed that they would agree a motion to exclude the press and public, and subsequently to re-admit them as the need arose during their discussion.

The Corporate Director outlined the content of his report and went through the details of appendix 1. He reported that all of the private sector providers consulted had indicated that they would fundamentally change the way services were delivered. For example, those consulted had indicated that it would be cheaper to provide services from other areas in the country and that savings would be delivered by the wage differential. In addition, none of the Councils running shared services used SAP but instead used Agresso.

The Corporate Director drew Members attention to pages 8 and 9 of the tabled documents which detailed the proposed recommendations to Cabinet in January 2014. The conclusion of officers was that, in terms of the contract with Capita, the opportunity should be taken to go back to the market at the contract break. The market had indicated that there would need to be a six month hand over period should the procurement lead to a change of supplier. There would also need to be a consideration in terms of timing around the election process.

Members then made comments and asked questions as follows:

- A Member expressed the view that it was important to get the processes right and surprise at the readiness of some Councils to engage in shared services. He stated that it was important to keep options open. The Corporate Director advised that the figures quoted in Appendix 1 were net of profit margin and that the cost to the client side would require consideration. Further savings may be derived from scale as a result of a shared service.

- In terms of a shared arrangement it was questioned how much political control Councillors would have in a shared arrangement and whether there was a political will to lose some of that influence. The Corporate Director advised that Members would need to satisfy themselves in this regard before a shared service was progressed.
- A Member expressed the view that the Council should perhaps confine itself to considering sharing services with London Boroughs rather than further afield in order to be comparable.
- In terms of outsourcing, concern was expressed at the regeneration effect and local economic impact. The Corporate Director advised that 56% of those staff that could potentially be affected lived in the borough.

The Chair thanked the Corporate Director and other officer for their attendance and responses. He requested that a further report be submitted to the Committee prior to the election. The Corporate Director advised that subject to the decision of Cabinet in January 2014, there would be progress with the OJEU notice but that it would be helpful to report to a future meeting of the Committee.

RESOLVED: That (1) the progress on Project Minerva to date be noted; (2) a report be submitted to a future meeting of the Committee; and (3) the Committee's comments be forwarded to Cabinet for consideration.

FOR CONSIDERATION

Background Documents:

Draft minutes of the Overview and Scrutiny Committee – 17 December 2013

Contact Officer:

Alison Atherton, Senior Professional Democratic Services
Tel: 020 8424 1266
Email: alison.atherton@harrow.gov.uk