

Meeting:	Cabinet
Date:	6 October 2005
Subject:	Governance of the Business Transformation Partnership
Responsible Officer:	Executive Director (Business Development)
Contact Officer:	Carol Cutler (Director, Business Transformation)
Portfolio Holder:	Business Connections and Performance
Key Decision:	No
Status:	Part 1

Section 1: Summary

Decision Required

1. That the overall Governance framework be approved.
2. That the Harrow and Capita membership as detailed in Appendix A to this report be approved.
3. That the requirement for continuing external support be noted.

Reason for report

To agree the overall project governance structure, to support the operation of the key programme decision-making process .

Benefits

The Partnership between Harrow and Capita will deliver significant financial and non-financial benefits, and represents a good overall deal

Details of the financial benefits were outlined to Cabinet on 20th September 2005.

A rigorous Governance framework, with appropriate level involvement from Harrow will support the monitoring and management of the Partnership, and

ensure that the benefits that will arise from the initial, and later projects, are obtained.

Cost of Proposals

There are no additional costs involved in the Governance proposals. Capita's costs are covered in the overall costs of the Partnership.

Risks

Both the procurement, and more recently the ongoing partnership arrangements, have been the subject of rigorous risk management processes.

All identified risks will be managed under the partnership governance arrangements with the Programme Board taking primary responsibility for monitoring and escalating issues as necessary.

Implications if recommendation is rejected

The proposals would need to be revised, delaying the initial meetings of the Partnership.

Section 2: Report

2.1.1 Background

On 20 September 2005, the Council agreed to appoint Capita as its Business Transformation Partner. It was agreed to present to Cabinet details of the Governance Framework required to manage and control the Partnership.

2.1.2 Brief History

On 13th January 2004, Cabinet agreed to the procurement of a major projects partner. On 15th June 2004, Cabinet agreed the procurement process and authorised officers to place an OJEU Notice.

With guidance from our legal advisors, Eversheds, a rapid procurement process was drafted, compressing the procurement timetable from two years to one. The long listing of seven potential partners was completed on 19 August 2004, following consultation with the ICT Members Forum.

The short-listing of three potential partners was completed by October 2004, again in consultation with the IT Members Forum. The three short listed candidates were then invited on site in mid October, to work alongside the Council in developing the approach and content of the Invitation to Negotiate (ITN), and begin their due diligence work.

Bids were received from two potential Partners, Fujitsu and Capita, on 1st April 2005. A series of clarification questions from Members, advisors and project team leaders, were developed through April. The Council requested that the potential Partners consolidate their bids into series of schedules to aid clarity and inform the Council's decision on the next phase of the procurement process.

On 19th May 2005, Cabinet delegated the decision to choose a preferred supplier or to progress to a Best and Final Offer (BaFO) to the Portfolio Holder for Business Connections and Performance. In line with the recommendation of the evaluation team, and following consultation with the Members IT Forum, the Portfolio Holder agreed to undertake a BaFO.

The Council was in negotiations with both partners from the end of May 2005. Following submission of the BaFOs on 27th July teams from across the Council completed the evaluation against agreed criteria. The decision on the preferred supplier was delegated to the Portfolio Holder for Business Connections and Performance Management. Following recommendations from officers, and consideration by the IT Members Forum, Capita were appointed as preferred bidder.

2.1.3 The Partnership

The Partnership will last at least 10 years and the total potential value of the contract is £100m. Since it is an 'incremental partnership' it will involve an evolving programme of activities. But at the outset the initial three projects will cost £45million. These are:

- First Contact
- Improved Operational Systems (also referred to as ERP)
- Management Information Systems

The Partner will also support the development of Harrow's IT services, improving performance and developing new skills. At a wider level the partner will transfer knowledge into the Council in areas such as project management, business process re-engineering and change management.

2.1.4 Potential Future Projects

Future projects will be determined by the Council on the basis of business cases submitted by Capita. The decision as to which projects to undertake (and indeed whether to award any future projects under the partnership) will be entirely the Council's. However, as part of the bidding process, Capita were requested to submit proposals for future projects.

2.15 Governance Arrangements

The proposed governance structure is enclosed at Appendix A. Within this there are a couple of key points for Members to note. Firstly, Members should note the Membership of the Partnership Board. From the Council side, it is recommended that the leaders of the political parties and the Portfolio Holder with responsibility for Finance or the Deputy Leader will sit on the Partnership Board.

The proposals are substantially those already presented to Cabinet. However it is proposed that a further member of the ICT Members Forum be placed on the Partnership Board for its initial first year, in order to transfer the knowledge gained during the procurement process.

The Council, in undertaking this Partnership requires that there may on occasion be a need for external support, both at Partnership Board, and Operational Board level, and to ensure the overall effective operation of the contract. The Council will therefore, as the need arises, obtain such advice and expertise it requires, utilising the Council's procurement processes.

2.2 Consultation

The BTP and draft agreement has been the subject of ongoing consultation with UNISON at a series of meetings held throughout 2005 and UNISON's comments and views on matters affecting the workforce are incorporated into the final agreement. Additional Trade Union facility arrangements were agreed in order to facilitate UNISON's participation.

Consultation with Members has been through the IT Members Forum, and a series of briefings for all Members of the Council.

The Overview and Scrutiny Committee have received regular reports on both the project management process, and procurement. They have noted the rigorous risk management approach and the pro-active communications activity.

Members have been kept informed via a comprehensive communications plan, drawn up at the outset of the project. The communications plan targeted key groups across the Council and externally, and highlighted the messages to be delivered.

2.3 Financial Implications

There are no financial issues specifically related to the proposal on Governance.

2.4 Legal Implications

The terms of the Partnership are defined in the contract with Capita. The Boards act as managers of the relationship, and will oversee and manage delivery of the projects. If any changes are required to the contract, these will be referred back to each organisation for consideration.

The governance arrangements are controlled by the Council, giving it the ability to change them, in consultation with Capita, if required.

2.5 Equalities Impact

There are no direct equalities issues related to the Governance proposals.

Section 3: Supporting Information/Background Documents

Appendix A – Governance Proposal

Relevant Previous Decisions

Cabinet decision - 23rd June 2005 – 785 – delegated the decision on the appointment of the preferred supplier to the Portfolio Holder following consultation with the ICT Members Group

Cabinet decision - 19th May 2005 – 762 - delegated the decision on whether to appoint a preferred supplier or to request a BAFO to the Portfolio Holder following consultation with the ICT Members Group

Cabinet - 9th September 2004 -602 - delegated the short listing of potential partners to the Portfolio Holder following consultation with the ICT Members Group

Cabinet (Special) decision - 15th June 2004 – 522 – approved procurement process

Cabinet decision - 13th January 2004 – 412 – approved the procurement of an ICT and Major Projects Partner

Overview and Scrutiny decision - 19th October 2004 – 224 – endorsed the approach to the project

Cabinet decision – 20th September 2005 – 816 - recommendation that Capita be appointed as Harrow's Business Transformation Partner.