

REPORT FOR: CABINET

Date of Meeting: 14 September 2010

Subject: IT Service Delivery

Key Decision: Yes

Responsible Officer: Myfanwy Barrett, Corporate Director of Finance
Carol Cutler, Director of Business Transformation and Customer Services
Mahesh Patel, Divisional Director IT

Portfolio Holder: Councillor Bill Stephenson, Leader and Portfolio Holder for Finance and Business Transformation
Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services

Exempt: No

Decision subject to Call-in: Yes

Enclosures: Appendix 1: Staff Questions & Answers Tracker

Appendix 2: Outline Transition Plan

Section 1 – Summary and Recommendations

The Council has embarked on an ambitious transformation programme – Better Deal For Residents – that must be supported by a modern and reliable IT platform.

An ‘in principle’ recommendation for the IT service to be transferred to Capita, subject to further consultation with staff and trade unions, and negotiation, was approved by Cabinet on 15th July 2010.

Cabinet is now asked to confirm the decision and formally approve the funding.

Recommendations:

1. To note that the consultation with staff and trade unions on the service delivery model was completed on 31st August 2010 and to note the outcome of this consultation
2. To note the ongoing arrangements for staff to support them through the transfer period
3. To note the progress that has been made on commercial negotiations with Capita
4. To note the outline transition plan
5. To note the proposals for the payment model
6. To agree to transfer the IT service to Capita with effect from 1st November 2010 subject to completion of satisfactory contract negotiations
7. To delegate authority to finalise and sign the contract to the Corporate Director of Finance in agreement with the relevant Portfolio Holder(s)
8. To approve the virement of £450,000 to cover the additional cost of the contract in 2010-11 (as set out in para 29)
9. To note that any VSS or redundancy costs will be funded from the provision on the balance sheet for employee related matters

Reason: (For recommendation)

- Investment in IT is essential to underpin the Council’s transformation programme.
- There is a strong case for investment in technology.
- The level of investment required must be sufficient to enable future transformation and the investment needs to be made sooner rather than later.
- Investment is required to achieve the Council’s aim to have fewer buildings, fully supported by remote and mobile working.
- Modernised IT services will enable members and staff to be better supported and more productive.
- The Capita proposal is the preferred delivery model – the in-house alternative is expected to have a similar cost, but carries significantly more risk and is likely to take longer to transition.
- There are substantial cashable benefits from investment in IT in terms of wider transformation, accommodation etc.
- There are substantial non cashable benefits for Members, staff and customers.
- If we proceed with Capita, they have demonstrated that every effort will 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 very probably be the same.

Section 2 – Report

1. On 15th July Cabinet agreed in principle to transfer the IT service to Capita. Since then officers have been progressing four strands of work:
 - Consultation with staff and trade unions
 - Due diligence and contract negotiations with Capita
 - Development of the transition plan
 - Development of the payment model
2. This report updates Cabinet members on progress in these four areas, particularly the consultation workstream.

Options

3. The options are to do nothing (ie carry on with the existing delivery model), to enhance and invest in the in house service, or to transfer the service to Capita. The report to Cabinet in July explored these options in considerable detail and concluded that, in principle, the service should be transferred to Capita.
4. In summary, all four workstreams outlined above are progressing well, and therefore Cabinet is asked to confirm the decision to transfer the service to Capita.

The Consultation Process

5. The consultation process was launched on 1st July 2010 Staff were consulted on the delivery model and the implications associated with a transfer of service to Capita.
6. Formal consultation on a TUPE transfer will commence once a decision has been taken to transfer the service.
7. The following table outlines the meetings that have taken place or are booked to take place:-

Date	Activity
01 July 2010	Trade union briefing and copies of proposal by Capita
20 July 2010	All staff meeting (attended by Leader and Portfolio Holder)
10 August 2010	Introductory meeting with Capita LBH and trade union representatives
11 August 2010	Capita presentation to staff and trade unions and a Q&A session
12 August 2010	Trade union update meeting
18 August 2010	Informal meeting with the Chief Executive for staff and trade unions
25 August 2010	Trade union update meeting
30 August 2010 (w/c)	All staff meeting and feedback following consultation
31 August 2010	End of the consultation process on the service delivery model
02 September 2010	Pensions briefing and surgeries
06 September 2010 (w/c)	1 to 1 meetings
09 September 2010	Pensions briefing and surgeries
09 September 2010	Capita/LBH/Trade Union update meeting
14 September 2010	Cabinet Meeting
15 September 2010	Start of formal consultation on TUPE transfer
15 September 2010	Issue Employee details to Capita "TUPE List"
15 September 2010	Employee surgeries with LBH and Capita HR

Date	Activity
16 September 2010	Employee surgeries with LBH and Capita HR
20 September 2010 (w/c)	Full staff briefing
23 September 2010	Capita/LBH/Trade Union update meeting
29 September 2010	All staff meeting
21 October 2010	All staff meeting
01 November 2010	Proposed transfer date

8. Cabinet members should note that meetings with individuals on their particular circumstances will continue with Harrow managers and Capita managers. These will be both scheduled and ad hoc. The IT service has appointed an Interim HR manger to provide dedicated support to this project, including one to one support for staff.
9. Staff have been submitting questions to an on-line tracker (Appendix 1), which is reviewed periodically, answered and revised when information becomes available. This will continue up to the point of transfer. A summary of the main issues raised by staff are set out below:-
 - Availability of information on the future of individual roles post transfer (closely aligned with the transition plan)
 - Concerns about the location of possible future jobs in Capita (in London)
 - Whether TUPE plus will be an option
 - What happens to continuity of benefits related to service if staff return to Harrow Council employment after a period with Capita
 - The date of transfer and the time available for staff to make an informed decision
 - The relationship between the Voluntary Severance Scheme (VSS) and the transfer
10. The Council has responded positively to these questions and comments, providing as much additional information as possible at this stage.
11. Capita are now engaged in the process of due diligence and detailed negotiation with the council. We do not expect this process to be concluded before mid October 2010 at which point Capita will produce a measures letter detailing the impact from this transfer.
12. Staff and trade unions have been advised that TUPE (Transfer of Undertakings Protection of Employment) will apply to all HITS employees and employees from Applications Support who may be identified through the Due Diligence process. All of the employees within "Scope" will be transferred to Capita when the contract is agreed and signed.
13. A voluntary severance scheme was launched on 17th August 2010 and staff will have the opportunity to apply for severance under this scheme. The scheme will operate in a similar way to the scheme run in 2009 in that volunteers will only be accepted where there is a business case that supports their request.

In-House Alternative

14. Consultation on the service delivery model with staff and unions finished on 31st August 2010. At the time of writing this report, a final submission relating to the alternative in house proposal is expected from Unison and will be the subject of formal joint review prior to the 15th September Cabinet. The proposal will be reviewed against the risks articulated in the paper submitted to Cabinet on 15th July 2010 and will feed into the

decision making process. The evaluation of the in-house alternative against the Capita proposals will include :

- The comparisons for successful delivery of the service including access to future technologies and shared solutions.
 - The cost of delivery of the service and potential for savings and efficiencies.
 - The risks associated with failure to deliver the service within the timeframes.
 - The access to technologies and ability to leverage specialist knowledge and experience.
 - The quality and flexibility of the service provision including access to new technologies and their ease of deployment.
15. Transformation projects are underpinned by the requirement for a new ICT infrastructure and changes to working practices and staffing arrangements which would be difficult to deliver internally. The need to access skills and experience with the technology solutions are viewed as significant risk elements which the Capita proposal is able to answer by reference to their existing workforce.
16. Any in-house solution would require significant up front changes and investment in new technology, restructuring and retraining of staff. The risk associated with delay in building an internal team and delay in implementing the new ICT infrastructure would put at risk the council's Better Deal for Residents Transformation programme which could ultimately lead to the council not achieving its target savings.

Contract Negotiations

17. The existing partnership contract with Capita, which runs from October 2005 to September 2015, with an option to extend for a further 5 years, contains many of the provisions required for the IT service, including for instance a schedule on TUPE.
18. Work is progressing to develop the schedule that describes the services which will be a more detailed version of the service specification that was developed earlier in the process. This will form the basis for performance management in the future.
19. Negotiations are going well and there are no significant points of difference at this stage.
20. It is intended that the duration of the outsourced IT service will coincide with the existing partnership contract though due to the proposed 1st November 2010 service transfer date, first year costs will be prorated accordingly.

Transition Plan

21. A key part of the process is the development of a transition plan. An outline plan is attached at Appendix 2 – this gives approximate dates when major changes will be made and runs for 18 months in total. The transition plan will continue to evolve up to and beyond the transfer date.

Pricing Model

22. Work has also been carried out, in conjunction with PWC, on the detailed pricing model that will support flexibility around change within the contract. The principle is that the price will vary depending on change to any one of; the volume of IT users, the number of sites and/or the number of applications being supported. This is designed to ensure that,

as the Council transforms more widely, the IT service can be scaled up or down accordingly. It also means that the Council will be able to capture efficiencies.

23. Amendment to the existing Capita rate card to incorporate operational change requests is the subject of further commercial negotiation.

Financial Implications

24. The July cabinet report provided a lot of detail on the cost of the Capita proposal and a value for money assessment.

25. The table below analyses the difference between the Harrow revenue budget and the bid over the same 5 year period, taking into account the cost of the client team and redundancies, and the impact on capital financing costs.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue difference	£0.6m	£1.1m	£1.2m	£1.0m	£0.9m	£4.8m
Client Team	£0.3m	£0.3m	£0.3m	£0.3m	£0.3m	£1.5m
Redundancy costs	£0.5m					£0.5m
Cost/saving on capital financing costs	nil	£0.3m	£0.1m	(£0.1m)	(£0.4m)	(£0.1m)
Net additional cost	£1.4m	£1.7m	£1.6m	£1.2m	£0.8m	£6.7m
Saving on financing years 6-10						(£2.7m)
Final additional cost						£4.0m

Notes:

- The bid was based on a start date of 1 October, and will have to be adjusted to reflect the revised start date of 1 November
 - Generally, contract years will run from 1 October to 30 September.
 - It is assumed that a contingency/change control budget to be used by the Client Team to fund/sponsor strategic ICT change will be capital, but in practice it may need to be split between capital and revenue.
 - The total saving on capital financing costs is £2.8m over 10 years as they have a long tail.
26. If we proceed with Capita's 5 year proposal, the revenue spend on IT services will increase by £1.4m in year 1. Thereafter the figures vary year to year, and the full benefit of reduced capital financing costs is not secured until year 10. The net additional cost over 5 years is £6.7m. The benefit of lower capital spend accrues mainly in years 6-10 and equates to £2.7m, giving a final additional cost of £4m. This is a very significant issue as it adds to future funding gaps and increases the pressure to find savings elsewhere.
27. A longer term deal would secure an improved price. It should also be noted that the Capita bid involves flexible pricing – this means that if staff numbers or the number of sites reduce over the term of the contract the price will reduce accordingly. It would be difficult to mirror this approach internally.
28. As noted earlier in the report, there are significant benefits, particularly to the wider transformation programme, which cannot be ignored and this should be regarded as an invest to save proposal. Benefits include:

- Savings to a number of proposed transformation projects, including an estimated reduction in the cost of the Flexible and Remote working transformation project by £858k
- Significant savings in office accommodation enabled through flexible working,
- Future cost avoidance by hosting services at Capita premises.
- Investment in refreshed hardware; refreshed network; extended hours of availability; self-service and simplified sign-on - generating productivity savings throughout the Council.
- Fewer additional charges for operational changes through a more flexible Capita delivery model.
- Service provision that is to best practice within the IT industry.
- Improved staff motivation and performance through access to modern technology and remote and mobile working.

29. Directorates may see some reductions in charges for things like new user set up and moves and changes, but these will be subject to the rate card negotiated with Capita in due course.

30. It should be noted that the 2010-11 budget for the Finance Directorate included an assumed saving of £100k from this project which will not now be delivered. Alternative savings are being sought to fill this gap in the current year.

31. Should Cabinet agree to proceed with the Capita proposal, the total additional cost in 2010-11 will be up to £0.95m, being up to £450k¹ for the additional cost of the contract and up to £500k for severance or redundancy costs. Any severance or redundancy costs that arise will be met from the employment provision held on the balance sheet. The additional service costs of £450k will be met from the earmarked reserve for Building Schools for the Future (£400k) which is no longer required, and the forecast surplus on treasury management activity this year (£50k).

32. Cabinet is therefore requested to approve the following virement:

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

33. The total additional cost in 2011-12 will be £1.3m and this will be managed through the budget round for 2011-12.

Performance Issues

34. IT has no National Indicators, however, the ITO is seeking to improve IT performance and therefore indirectly improve wider service performance.

¹ Note that the year 1 cost will be reviewed during the negotiations given the revised contract start date of 1 November

Legal Implications

35. The contract is being negotiated for up to 10 years, but with the option of a break in 5 years at a date which would be co-terminus with the existing partnership agreement.
36. All of the contractual schedules within the existing partnership contract are being reviewed and amended where necessary. New schedules detailing the service and how it will be delivered are also being developed. We have appointed Eversheds as our professional legal advisors to conclude contract negotiations.

Environmental Impact

37. The move of the Data Centre to a shared environment and the consolidation of equipment into a modern virtual technology will reduce power and energy requirements that the authority will have for operating its IT infrastructure.
38. Within Capita's proposal they have calculated a potential carbon footprint reduction of 30.9%. This is delivered through the use of their data centres and a refresh to more efficient computer hardware.

Risk Management Implications

- | | |
|---|-----|
| Risk included on Directorate risk register? | Yes |
| Separate risk register in place? | No |

Equalities implications

- | | |
|--|-----|
| Was an Equality Impact Assessment carried out? | Yes |
|--|-----|
- If yes, summarise findings, any adverse impact and proposed actions to mitigate / remove these below:

39. An update of the equalities impact assessment is being carried out to establish the impact of the inclusion of staff engaged in support of Applications which are considered to come within the scope of the Project.

Corporate Priorities

40. The Council has embarked on an ambitious transformation programme – Better Deal For Residents – that must be supported by a modern and reliable IT platform.
41. Investment in IT is essential to underpin the Council's transformation programme.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett



Chief Financial Officer

Date: 23 August 2010

Name: George Curran

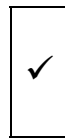


On behalf of
Monitoring Officer

Date: 23 August 2010

Section 4 – Performance Officer Clearance

Name: Martin Randall



On behalf of
Divisional Director
Partnership Development &
Planning

Date: 23 August 2010

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director
(Environmental Services)

Date: 23 August 2010

Section 6 - Contact Details and Background Papers

Contact: Myfanwy Barrett, Corporate Director of Finance 020 8420 9269

Background Papers: Report to Cabinet on 15 July 2010 on IT

NOT APPLICABLE

**Call-In Waived by the
Chairman of Overview and
Scrutiny Committee**

Appendix 1 - Staff Questions & Answers Tracker

2010 Register

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
1	16/07/10	Please can we have revised redundancy figures?	16/07/10	Peter Malcolm	Closed	16/08/10 Capita These will be provided to you when you are consulted with regarding any restructure or redundancy exercise is undertaken, post transfer. 31/08/08 A ready reckoner has been placed on the hub so that staff can calculate their entitlements	
2	16/07/10	Is there a time limit, if TUPE'd across to Capita that I could return to Harrow's employment without my continuous service being affected?	16/07/10	Peter Malcolm	Closed	16/08/10 When you are transferred your service is transferred to Capita. If you leave to take up a role in the council are any other organisation your service would be broken and you would start again. 31/08/08 There is a protocol that protects Service Related benefits for two years after transfer. All other entitlement would be discretionary.	
3	23/07/10	If a person is made redundant having been transferred to Capita how is it calculated? Is the length of service at Harrow recognised? What would the calculation be? Is it the same as harrow's calculations ?	27/07/10	Peter Malcolm	Closed	16/08/10 Calculations will be done on the same basis as Harrow and all service transferred will be taken into account as long as there has been no break of service.	
4	23/07/10	If you wish to keep your pension with Harrow what do we do?	27/07/10	Peter Malcolm	Open	31/08/10 There will be a pensions advisor from the Council who will answer these questions as part of the consultation process.	
5	23/07/10	Would the VSS be available after the transfer and how long would it be on offer? At what point will we be told?	27/07/10	Peter Malcolm	Closed	16/08/10 Under existing agreements the VSS is only as available up to the point of transfer. 18/08/10 Details of a revised VSS scheme have been published and applications can be made from 18 th August 2010 31/08/08 Please see HUB for Q&A documents for more information on the VSS	
6	23/07/10	I believe Capita will probably keep application support at Harrow for a transitional period. Assuming this lasts for a year or so, if the staff are then re-deployed to sites which cause a large	27/07/10	Peter Malcolm	Open	16/08/10 TUPE applies indefinitely unless there is a consultation that takes place with an employee and there is an agreement to change the contract. The question of redeployment to another role	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
		commute would TUPE still apply and redundancy offered due to change in location or would it be that a year has gone by so it would be up to Capita?				will depend on what that role is and whether it would be regarded as a "reasonable alternative" to redundancy. Capita Your contractual terms and conditions would transfer under TUPE to Capita and would remain protected for the duration of time you remain working in your current role on the Harrow account.	
7	23/07/10	<p>You said in the meeting that you could not let us know on an individual basis how the outsourcing would affect us, even though Capita have given a specific head count of staffing levels after the contract has been signed, thus indicating that they have a good idea of what their intentions are.</p> <p>However, in the meeting, it was also agreed that you should be able to get an idea of how each area would be affected ie. Desktops, DB, networks, application support, Helpdesk. When will you be able to come back to us on that?</p>	27/07/10	Peter Malcolm / Capita	Open	<p>16/08/10 Capita are still carrying out due diligence and clarification with the Council therefore cannot, at this stage provide details of how each area of HITS would be affected from a staffing perspective.</p> <p>13/08/2010 However we are hopeful that we will be able to do so by early September.</p>	
8	23/07/10	<p>In the meeting we were told that Harrow would not countenance employees making decisions without knowing all the facts. However, as an example, when Sue Delgado asked for specific information only generalised information was returned.</p> <p>When, specifically, we would be told actual details and not generic overviews?</p> <p>Given that we have been told to get independent advice, and October 1st was the date we were told to assume was the 'goal date' can you let me know when you envisage when specifics are told to the employees.</p> <p>So how long will we have to get independent advice once we know all the information?</p>	27/07/10	Peter Malcolm	Open	<p>16/08/10 The TUPE regulations require that we consult on the impacts of the transfer.</p> <p>Information will be provided and included for consultation as it is received.</p> <p>Staff will be advised on all of the decisions that are made as soon as possible to allow for advice to be taken.</p>	
9	23/07/10	<p>You made mention that you would re-introduce a file with questions and answers that would be available to HITS to view.</p> <p>When will you start this and confirm with HITS staff?</p>	27/07/10	Peter Malcolm	Open	<p>16/08/10 This document will be used to capture questions and answers and for these to be shared. Individual meetings will be scheduled to answer specific personal questions and these will be confirmed in writing where possible or appropriate</p>	
10	23/07/10	Who in HR is the person we can speak to if we have specific pension questions?	27/07/10	Peter Malcolm	Open	<p>16/08/10 The Council Pensions dept will be asked to provide a contact and to carry out surgeries to allow staff to raise issues as part of the consultation schedule.</p>	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
11	27/07/10	<p>If we are transferred to Capita will it be with the same terms and conditions?</p> <p>Will flexi and overtime rules still apply?</p> <p>Will be expected to do the same hours?</p> <p>If not when will we be given the details, before or after the transition?</p> <p>If before then how soon before?</p>	27/07/10	Peter Malcolm	Open	<p>16/08/10 Your individual contractual terms and conditions will transfer with you to Capita under TUPE.</p> <p>Following consultation and prior to the transfer date, measures will be notified to you.</p>	
12	20/07/10	If Capita will only get paid on delivery of a successful project, who decides whether the project was successful or not?	27/07/10	Peter Malcolm	Open	16/08/10 This would be an issue for the Contract negotiation and the scope of the project.	
13	20/07/10	<p>If we all 30 permanent staff are to transfer on 1st Oct (point 77 on the Cabinet Supplemental Agenda) :</p> <p>a. Does this mean that it is Capita who will decide on who is made redundant, who get VSS, who get employed etc.</p> <p>b. Will Capita pay for the 19 who are at risk of redundancy?</p> <p>c. It says in para 79 that 12 will be kept in the first year and 7 in the second year. What if Capita restructures before the second year. Do the 5 who are made redundant lose their redundancy?</p>	27/07/10	Peter Malcolm	Open	<p>16/08/10</p> <p>a) Staff who are employed in the service at the transfer date will become employees of Capita. After that date Capita will have the duty to make decisions and consult with employees. The council will make decisions on VSS for Staff who elect to apply as Council employees.</p> <p>b) This is an item for the negotiators of the contract to address</p> <p>c) Contractual terms and conditions, including redundancy entitlements will transfer under TUPE. Staff who are made redundant will be entitled to receive a redundancy payment.</p>	
14	28/07/10	When we transfer to Capita, under TUPE regulations, I understand that I take my Terms and Conditions. But what about my 21 years of service - are they taken into consideration, or is it considered that if Capita should decide to make me redundant it would be with 0 (zero) years prior service with them?	28/07/10	Peter Malcolm	Closed	<p>16/08/10 Your service transfers with you as does the calculation formulae for the redundancy pay etc.</p> <p>The amounts you would get would be determined by your service (including 21 years with Harrow) to the date you were to be made redundant plus any notice not worked.</p>	
15	28/07/10	Will there be coordination between the various Capita project managers and projects in Capita so that projects are aligned and cost savings are made because we are reusing already established frameworks?	29/07/10	Peter Malcolm / Capita	Open	16/08/10 HBU and ITS will work together under a single governance structure to ensure that the ITO and Transformation projects are aligned from a technology perspective in order to realise value for money for the Council.	
16	29/07/10	<p>Agenda Item 20a of the council Cabinet paper dated 15th July states that "potentially up to 19 of the transferred staff would be at risk of redundancy" and "Capita have indicated that they will be looking to retain 12 of the transferred staff in the first year and 7 in subsequent years on site at Harrow."</p> <p>Why have these 19 staff not been given an at risk</p>	30/07/10	Peter Malcolm / Capita	Open	<p>(16/08/10)</p> <p>Staff in scope to transfer to Capita will do so on the transfer date.</p> <p>16/08/10 Consultation with staff will take place as part of any restructuring exercise at the appropriate time.</p>	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
		notice? This action is denying staff the chance to be considered for redeployment within Harrow. The Cabinet paper 15th July 2010 states that "Actively seeking redeployment opportunities for affected staff within the Council and through partner organisations running up to the transfer" will be used a method of mitigating potential redundancies.					
17	29/07/10	<p>The Harrow employee handbook states "In accordance with your terms and conditions of employment, the Council reserves the right to change your place of work. You may be required to work at any location within the London Borough of Harrow. The Council does not pay excess travel costs incurred in this situation."</p> <p>If an employee declines an offer of a job, which is not based in Harrow, as they felt that the new location offered was not a reasonable distance from their home, would they be made redundant?</p> <p>If so, on what terms (i.e statutory or other)?</p> <p>If they were not made redundant what would happen to them?</p>	30/07/10	Peter Malcolm / Capita	Open	<p>(06/08/10)Capita have indicated that redundancy will be a last resort . The questions of what is a suitable alternative employment is something that must be judged on individual circumstances and it is very difficult to generalise.</p> <p>The Redundancy Consultation process would give staff the opportunity to discuss and consider their options</p> <p>Staff who transfer to Capita and remain on TUPE terms and conditions, would be entitled to a redundancy payment in line with the transferred terms and conditions if they were served with notice of redundancy.</p>	
18	29/07/10	After transfer, if an employee accepts a job located outside of Harrow, will any excess travel costs incurred be paid by Capita and if so for how long?	30/07/10	Peter Malcolm / Capita	Open	(06/08/10) This will depend on whether your contractual terms and conditions offer to pay excess travel costs.	
19	29/07/10	What will happen to employee's pension? What is the best course of action for employees regarding their existing Harrow pension?	30/07/10	Peter Malcolm / Capita	Open	(06/08/10)There will be a pension briefing and surgery with Harrow Pensions Department.	
20	29/07/10	What pension scheme will be supplied with the new company?	30/07/10	Peter Malcolm / Capita	Open	(06/08/10) Capita's preferred approach would be to apply for Admitted Body Status (ABS) for those staff who currently pay into the LGPS allowing staff to continue to pay into the LGPS. The admissions agreement will be drafted by the administering Authority and will need to be terms agreeable to Capita.	
21	29/07/10	Will Capita provide a Child Care voucher scheme?	30/07/10	Peter Malcolm / Capita	Open	(06/08/10) Yes.	
22	29/07/10	If an employee is offered a job by Capita or Harrow that has a lower salary, will they be protected on their existing salary and if so, for what period of time?	30/07/10	Peter Malcolm / Capita	Open	(06/08/10) For those staff who transfer to Capita, it depends if your contractual terms and conditions include provisions for pay	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
		If there is a significant difference in the salary and they decline the position offered to them what will happen?				protection following redeployment. The Harrow Pay protection Arrangements will transfer under TUPE where the role continues the transferred terms and conditions.	
23	29/07/10	If an employee accepts VSS or voluntary redundancy does that affect their rights to claim unemployment and housing benefits as they have effectively chosen to make themselves unemployed?	30/07/10	Peter Malcolm	Open	(06/08/10) Assessment for benefits is a very complex process and it is impossible to generalise. Because each assessment may take into account many factors each individual will need to check with a benefits advisor.	
24	30/07/10	If there has been no investment in IT why are staff facing possible redundancy when higher management look to have job security, when it is senior management have had control of the budget? Are Senior management not responsible for the state of the services, highlighted by a global email from Myfanwy yesterday?	30/07/10	Peter Malcolm	Open	The council has recognised that IT has been underinvested in the council's IT infrastructure and both senior officers and members have agreed to make the investment needed. All roles in IT will have some change including the most senior roles. I cannot comment on what has gone on in the past, but in the 2.5 years that I have been here, we have been very open and transparent about the costs of IT.	
25	30/07/10	It was identified in the presentation that Harrow spent 0.6% of the organisation's running costs on IT. Given that the average spend for other Boroughs was 2.9% - and that many senior managers had expressed concerns about the quality of the IT Service they were receiving - why was this not picked up by Harrow's Senior Managers in their strategic planning and considerations?	30/07/10	Peter Malcolm	Open	The detailed financial came from the work carried out by PwC as part of the 'Better Deal for Residents'.	
26	30/07/10	Harrow council have a BTP contract with Capita; why is it that we have to outsource IT when in reality we should be transforming the IT department through BTP for the future as per the original contract?	30/07/10	Peter Malcolm	Open	Transformation of the IT service with Capita had been attempted at the beginning of the BTP contract but was deemed not successful. With the level of change now required and with IT underpinning the 'Better Deal for Residents' programme outsourcing has been concluded as the most appropriate option for this authority.	
27	30/07/10	Why was their a desktop refresh project done when thin client has been talked about for a number of years and is cheaper to implement? Also are you aware that the Servers have been purchased already at a cost of approximately £150,000 and are just sitting in storage?	30/07/10	Peter Malcolm	Open	Servers were purchased to stabilise the Citrix environment. As we went to ITO process, it was initially suggested that thin client would not be way Capita would deliver the core technology platform. For this reason the commissioning of this equipment was put on hold.	
28	30/07/10	At the Cabinet meeting it was read out that Harrow IT ask BTP for help but staff would like to know when this has happened as we are not aware of ever doing this?	30/07/10	Peter Malcolm	Open	I think it was a generalisation in that we work with BTP to deliver IT related projects. I believe the point that was to be made here was that in the event that we deliver the service	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
						internally, we would use Capita\BTO to assist with the delivery of the new ICT Infrastructure.	
29	30/07/10	BTP/Capita failed to deliver a project for scanners in access harrow. Are you aware that HITS took over the project and implemented and completed it and that we still support them up to this day?	30/07/10		Open		
30	30/07/10	Where did the figure of 95%of HITS hardware needing replacing come from?	30/07/10	Peter Malcolm	Open	This came from the due diligence that was carried out by Capita and verified by the project team.	
31	30/07/10	BTP delivered a HARP project which HITS staff implemented to PC's but are you aware that each laptop purchased cost around £1200 which did drop to £800. A better specification laptop would have cost £600?			Open		
32	30/07/10	Are you aware that each PC cost the council £490? There were discussions with Viglens to purchase PC's from them directly for £270 but this was discounted as any savings made by HITS would be passed to the BTP instead?	30/07/10	Peter Malcolm	Open	It is my understanding through the team that we unable to build a suitable and stable image for the Viglen PC's and this is why we reverted to the previous standard	
33	30/07/10	If the Council is so strapped for cash, why are we employing contractors in non-substantive posts within our service?	30/07/10	Peter Malcolm	Open	As the service is going through such change we took a strategic decision not to employ permanent staff. Contract staff have filled this gap and provides us greater flexibility to change the skills set needed which allows us to manage this change programme effectively	
34	30/07/10	When a final decision is put in place, how will staff and contractors be advised? My concern is that contractors need only give a week's notice (permanent staff much, much longer) and we could easily end up with a very large recruitment drive and a loss of knowledge on council systems - and no-one on the Service Desk.	30/07/10		Open		
35	30/07/10	Can we see what contracts have been signed by Capita managers whose role for a short time was the Harrow IT manager?	30/07/10	Peter Malcolm	Open	I will raise this question with Capita, but am not sure if this will be possible as individual contracts are usually confidential.	
36	30/07/10	Are you aware that no financial investment has been made in members of the staff since 2006 and if any has been made it has been directed at management level and not below?	30/07/10		Open		
37	30/07/10	Have the CSB and Councilors thought about if Capita fail to deliver the service level agreement how the council will go back in house and what the financial implications could be?	30/07/10	Peter Malcolm	Open	As part of the contractual negotiations, a specific schedule will be developed in relation to termination. This will have all of the details how and what happens in the event the contract with Capita is ended.	
38	30/07/10	Do you have a rough estimate of how much this could be?	30/07/10	Peter Malcolm	Open	This will be part of the negotiations	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
39	30/07/10	There are many recent examples where a Capita Service Support Solution has run to debt (TfL, Service Birmingham, Lambeth). Whilst the Council will reflect that they will levy penalty charges; is the Council Leadership satisfied that this will appease the citizens of Harrow if a critical service is not delivered?	30/07/10	Peter Malcolm	Open	The 'in principle' decision has been approved by CSB and Cabinet which is the highest level of decision making in the authority. They ultimately represent what is right for the borough.	
40	30/07/10	Can you confirm if supporting the IT for elections was cheaper in house or if BTP was cheaper? (note: Capita ITS quoted £28k; we quoted £12.5k for the same service)	30/07/10		Open		
41	30/07/10	Will Capita be working to ITIL Policy procedures?? (Support Guidelines)	30/07/10		Open	Yes	
42	30/07/10	How much as this outsourcing process cost the Council over the last 2 ½ years?	30/07/10		Open		
43	30/07/10	Given the decision has been given "in principle" further analysis will have to be given to Capita's proposal. In order to test it's effectiveness against alternative options, will you be giving further consideration to an inhouse solution (even if only as a comparator)... and given the cost values have been so close AND given central government's funding cuts; will the council be in a position to decide to reverse the "in principle" decision and decide to retain in house? Or even to develop a hybrid solution?	30/07/10	Peter Malcolm	Open	The -in-house solution is being considered again as part of this consultation process. 31/08/08 The consultation period for submission of further information to support the "In House bid" ends on 31/08/08. Unions were advised on Tuesday 24 th August 2010.	
44	30/07/10	Will existing terms & conditions of employment apply for those of us transferred over to Capita will LBH redundancy terms apply should redundancies be made?	30/07/10		Open	16/08/2010 Yes these conditions will continue to apply and will be transferred with you.	
45	30/07/10	When we transfer to Capita, under TUPE regulations, I understand that I take my Terms and Conditions. But what about my 21 years of service - are they taken into consideration, or is it considered that if Capita should decide to make me redundant it would be with 0 (zero) years prior service with them?	30/07/10	Peter Malcolm	Open	(16/08/10) Contractual terms and conditions of employment will transfer with staff to Capita under TUPE. Your continuous service date will also transfer.	
46	30/07/10	Will we loose any of our holiday entitlement when we move over to Capita?	30/07/10	P Malcolm	closed	(06/08/10) No	
47	30/07/10	Is there a maximum number of holidays we can take over?	30/07/10	P Malcolm	Closed	(06/08/10) Your contractual entitlement to annual leave will transfer under TUPE.	
48	30/07/10	Will Capita have the same terms and conditions as Harrow ie. flexi leave, flexi time , no. of hours etc?	30/07/10	P Malcolm / Capita	Open	(06/08/10) Contractual terms and conditions of employment will transfer with staff to Capita	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
						under TUPE.	
49	30/07/10	If we accept VSS will the number of holidays remaining have to be taken, or would they be included in settlement?	30/07/10	P Malcolm / Capita	Closed	(06/08/10) Holidays will normally be required to be taken prior to completion	
50	30/07/10	For the last 15 years or so there has been little or no training given to application support. If training is required will Capita provide it. If not, how would Capita address the issue?	30/07/10	P Malcolm / Capita	Closed	(06/08/10) Refereed to Capita. Capita will ensure that all staff are provided with the appropriate training.	
51	16/08/10	Could you confirm my understanding that if you transfer to Capita under an Admitted Body Scheme under LGPS and are then redeployed within Capita to a job not working on the Harrow Contract you would have to leave the ABS. Given that it is known that most of the people will be redeployed in the short term Harrow is essentially forcing these people out of the LGPS scheme and with little chance of finding a viable alternative, a situation that Redundancy payments were designed to compensate for.	18/08/10		Open	31/08/2010 Where staff are transferred and then accept redeployment into a Role that is not part of the delivery of services to Harrow they will not be able to remain within the Harrow LGPS. The decision to accept redeployment would have to be made given a full appreciation of this change and the attendant terms and conditions as part of a consultation exercise at the time.	
52	16/08/10	What is the position of people who can currently retire and claim their pension with respect to the various pension options being considered on transfer?	18/08/10		Open	31/08/10Options for staff who have already reached retirement age to access retirement pension and benefits are not affected by the transfer.	
53	16/08/10	What specific employee's details will be handed over to Capita on transfer, will it include absence and disciplinary information for instance?	18/08/10		Open	31/08/10All data related to employment will be passed over including payroll data and personnel records. This data is required to be transferred at least 14 days prior to transfer. Up to that point data is shared without personal identifiers within the Data Protection requirements	
54	17/08/10	Does the 40 Day Unpaid Leave rule get carried across to CAPITA?	18/08/10		Open	31/08/10 Yes	
55	17/08/10	Could you clarify your [consultation tracker]response here please. 13c. It says in para 79 that 12 will be kept in the first year and 7 in the second year. What if Capita restructures before the second year. Do the 5 who are made redundant lose their redundancy? Answer: c) Contractual terms and conditions, including redundancy entitlements will transfer under TUPE. Staff who are made redundant will be entitled to receive a redundancy payment. In other words if Capita restructures the department(eg because they do not have a	18/08/10	Peter Malcolm	Closed	(17/08/10) If a restructure happened earlier than planned then the consultation on redundancy under the Employment Protection Act provisions would start earlier and the options would be a) redundancy on the existing transferred terms or b) Alternative Employment offer - which would be under the terms for the role on offer as an alternative. Capita will be required to offer either redundancy or a suitable alternative - the only questionable factor here is whether an alternative offer is reasonable - In this respect it is necessary to look at the particular	

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
		middleware team as far as I know at the moment) does this mean you lose your TUPE rights (if they restructure).				<p>circumstances but in general terms an Employment Tribunal (ET) would be looking at continuation of employment with redundancy (and payments) as a last resort. Capita took this stance in their presentation. An ET would expect an employee to accept an offer where it was reasonable for them to continue in employment with some adjustments if they had the skills and experience.</p> <p>Sorry I can't be more specific but it is difficult to speculate without something tangible</p>	
56	19/08/10	At yesterday's 'all staff' briefing, Jon Turner stated that if people TUPE across and return to Harrow within 2 years, there is a 'local agreement' which allows them to have their T's & C's intact (other than continuity of service). As all vacancies are currently being advertised on an 'internal' basis, can we have assurance that during transition, we, as Capita employees, will still be eligible to apply for these vacancies?	19/08/10		Open	<p>31/08/10 The Following link and reference to page 27 gives some guidance on this issue and informed the response in question 2 of the tracker.</p> <p>http://harrowhub/downloads/file/553/the_london_agreements</p>	
57	19/08/10	<p>Last year Bernie Harrison asked the following...See Q&A ref 22)</p> <p>"29/07/09 - If an employee is offered a job by Capita or Harrow that has a lower salary, will they be protected on their existing salary and if so, for what period of time? If there is a significant difference in the salary and they decline the position offered to them what will happen?"</p> <p>The answer was ...</p> <p>"(06/08/10) For those staff who transfer to Capita, it depends if your contractual terms and conditions include provisions for pay protection following redeployment. The Harrow Pay protection Arrangements will transfer under TUPE where the role continues the transferred terms and conditions."</p> <p>Could you please let us know</p> <ol style="list-style-type: none"> 1. If our Ts&Cs include provisions for pay protection following redeployment. 2. Who to contact in Harrow to get an up-to-date version of our Terms and Conditions 	19/08/10		Open	<p>31/08/10 Yes Pay protection will transfer</p> <p>P Malcolm will assist with this.</p>	
58	19/08/10	WHEN will we be told of the current vacancies in Capita , with salary grades, exact locations and job requirements. Will it be after October 1 st ? If not, when?	19/08/10		Closed	<p>31/08/08The available data has been circulated.</p> <p>Capita intend to provide access to the Capita Intranet as soon as possible after transfer.</p>	

2009 Register

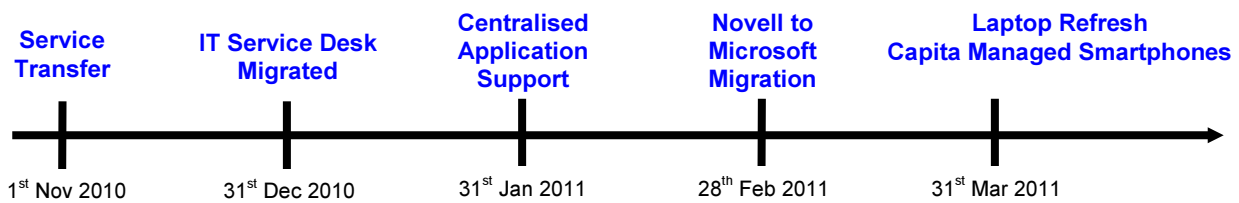
Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
a	22/09/09	What will happen to Contract Staff- will they be kept on to help with the transition?	22/09/09	Peter Malcolm	Open	Depending on the terms and conditions within their individual contract the "contract" Staff may be covered by the TUPE regulations in terms of their right to transfer in a post. We will use 121 meetings with Contract Staff to define their status and then advise them accordingly.	30/11/09
b	22/09/09	What will happen to staff Capita do not want to employ	22/09/09	Peter Malcolm	Closed	All staff have the right to transfer in the post they currently hold. Where we recognise or are advised that these posts may not be required following the transfer we will look for alternatives within LBH and will request that the partner helps with any redeployment opportunities	
c	22/09/09	What is the point of outsourcing now when the council are looking to outsource other departments and therefore the amount of internal IT will be shrinking anyway	22/09/09	Peter Malcolm	Closed	The decision to outsource is based on many factors but is primarily intended to deal with the service requirements of the council structures through the ongoing transition and in the future	
d	22/09/09	Will there be any redeployment opportunities in other areas of the Council.	22/09/09	Peter Malcolm	Open	We are looking at the potential to redeploy staff with transferable skills.	30/11/09
e	22/09/09	Given the short timescales involved in outsourcing HITS I would like to clarify the position of carried forward annual leave	22/09/09	Peter Malcolm	Open	Staff should plan to take as much of the current year leave as possible prior to the normal holiday year end. We will ask the partner to specify their policies and for information on how they will deal with outstanding holiday entitlements. 18/08/2010The current cobntractual holiday arrangements will continue to apply after the transfer	30/11/09
f	28/09/09	What are Capita's intentions if staff are asked to commute more than 50 miles after TUPE e.g. Coventry is 88 miles away	28/09/09	Partner Policy	Awaiting Info	The partner will be asked to outline in their proposal, their intentions where transferred staff are required to relocate	30/11/09
g	22/09/09	Will people be expected to relocate	22/09/09	Partner Policy	Awaiting Info	Until we receive the RFP response we will not be able to answer this question but it is likely that the partner will wish to use existing remote facilities to provide the service	30/11/09
h	01/10/09	Will our "tuped" Substantive Post pay be calculated as that as of April 2010	01/10/09	Peter Malcolm	Closed	Yes.	
i	01/10/09	Would Capita give us our annual increments and increase in Spinal Point that we get when working with the Public Sector	01/10/09	Peter Malcolm	Awaiting Info	Yes.	30/11/09

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
j	01/10/09	Will we get an equivalent 'Final Salary' Pension scheme after the transfer	01/10/09	Partner Policy	Awaiting Info	Capita's preferred approach would be to apply for Admitted Body Status (ABS) for those staff who currently pay into the LGPS allowing staff to continue to pay into the LGPS. The admissions agreement will be drafted by the administering Authority and will need to be terms agreeable to Capita.	30/11/09
k	22/09/09	If the transfer goes ahead and the pension moves across with TUPE where will the pension money go - Will it go to the Harrow Scheme or elsewhere. What will happen when the TUPE terms and conditions expire.	22/09/09	Pension / Partner / LGPS	Awaiting Info	Capita's preferred approach would be to apply for Admitted Body Status (ABS) for those staff who currently pay into the LGPS allowing staff to continue to pay into the LGPS. The admissions agreement will be drafted by the administering Authority and will need to be terms agreeable to Capita.	30/11/09
l	01/10/09	Will years of service be recognised in some way by Capita?	01/10/09	Partner Policy	Awaiting Info	Your continuous service date will transfer under TUPE to Capita.	30/11/09
m	01/09/09	If I am allowed to take VSS will I be prevented from working as a contractor with the partner on Harrow Council work	01/10/09	LBH Policy	Awaiting Info	We are currently looking at the terms of the VSS but it is likely that restriction for staff returning to the council or the partner will remain the same as in the previous schemes.	30/11/09
n	22/09/09	Will there be redundancy or severance or something else	22/09/09	Peter Malcolm	Project Board	At the recent Programme Board it was decided to continue to hold further actions within the existing VSS scheme in relation to HITS, pending receipt and review of the RFP. The Board will then consider the scope and terms of this or an alternative VSS, that is appropriate to the future staffing requirements for the provision of the service.	30/11/09
o	22/09/09	What are the timescales involved	22/09/09	Peter Malcolm		We cannot commit to a timescale until we have received a response from the partner. However the outline plan was to have a response and look for a decision on transfer by January 2010. The timescales from there will depend on the details within the response. <u>Requires updating.</u>	
p	22/09/09	When is the transition likely to start, how long will it be, and what will staff be expected to do	22/09/09	Partner Transition Team	Awaiting Info	When is the transition likely to start, how long will it be, and what will staff be expected to do	30/11/09
q	22/09/09	When will staff know if they are surplus to requirements	22/09/09	RFP	Awaiting Info	We will be able to identify staff at risk once the transfer structures have been agreed and we will consult on this as soon as this is identified.	30/11/09
r	22/09/09	Will Capita Staff come in to Job Shadow, and will staff be expected to train them.	22/09/09	Partner	Awaiting Info	We will ask the partner to detail the roles and remit of their transition team and any involvement with the staff currently providing service. In this way the needs of the service will be identified with the partner. It is unlikely that you will need to train anyone.	30/11/09

Ref	Raised	Question / Issue	Logged	Action To	Status	Response	Review Date
s	22/09/09	Will everyone be automatically TUPE'd across to a similar role	22/09/09	Peter Malcolm	Closed	The purpose of the regulations is that when a post transfers the person in that post is transferred with it. You will have the right to transfer with your post.	
t	22/09/09	What Exactly is TUPE and what will the terms be	22/09/09	Peter Malcolm	Closed	TUPE is Transfer of Undertakings Protection of Employment Regulations. The legislation is complex but the intention of the regulations is to protect the Terms and Conditions of people at the point they are transferred. You can read more on the regulations at http://www.acas.org.uk We will consult with each member of staff on the transfer and their rights under, the regulations	
u	22/09/09	We have been told that we may be TUPE'd across on the same terms and conditions - Does this include everything including the location of the job	22/09/09	Peter Malcolm	Closed	All of your contractual entitlements transfer with you including the location and relocation terms (if there are any). Changes can be made during consultation using TUPE measures. Employers can of course seek to change employees T&Cs at any time subject to appropriate consultation	
v	22/09/09	Is TUPE optional. If staff do not want to transfer to Capita what will happen to them	22/09/09	Peter Malcolm	Closed	No-one can force you to transfer but if you have that opportunity and do not transfer you would be regarded as resigning	
w	22/09/09	How Long does TUPE cover us for	22/09/09	Peter Malcolm	Closed	18/08/2010 There is no time limit to how long the regulations provide protection. Any changes to your terms and conditions can only be made after full consultation has taken place. Employers can of course seek to change employees T&Cs at any time subject to appropriate consultation	

Appendix 2 – Outline Transition/Transformation Plan

Service Transition – 1st Nov 2010 to 31st Mar 2011



Service Transformation – 1st Apr 2011 to 31st Mar 2012

Hosted Data Centre Environment Introduced
Remote/Flexible Working Solution Implemented
Business Applications Migrated to Hosted Data Centres
Old Systems Decommissioned



Note: Transformation Plan will deliver additional services from Capita premises on a quarterly basis