

CABINET

MINUTES

15 JULY 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:	Susan Hall	Minute 20
(Councillors)	Barry Macleod-Cullinane	Minute 20
	Paul Osborn	Minute 20
	Bill Phillips	Minute 20

* Denotes Member present

RESOLVED ITEMS

23. Key Decision - IT Service Delivery

In accordance with the Local Government Access to Information Act 1985, the joint report of the Corporate Director Finance, Director of Business Transformation and Customer Services and the Divisional Director IT, together with a confidential appendix, was considered by Cabinet as a matter of urgency to enable consultation with staff to proceed. The report was not available at the time the agenda was printed and circulated as it was being consulted on with key officers and Members.

Cabinet considered the joint report, together with a confidential appendix setting out the value for money assessment, which set out the need for a modern and reliable IT platform to ensure the delivery of the Council's Transformation Programme, also known as a Better Deal for Residents. The

report also included an evaluation of the service to be delivered either in-house or by an external provider, Capita.

The Portfolio Holder for Performance, Customer Services and Corporate Services stated that staff in the IT service had done an excellent job in light of the lack of investment over the past years, and was of the view that IT could have been attended to early by the previous administration. In terms of the delivery of the Better Deal for Residents Programme, it was essential that a modern and reliable IT platform were in place. The Portfolio Holder stated that the administration had inherited a number of systems, which did not have the capability to deliver a modern IT service and were increasingly becoming difficult to support and operate. Some operated at an increased risk of failure, and there was a limited capacity for remote and mobile working. For example, the email system was difficult to integrate with other systems and there were inconsistent levels of system performance across the Council.

The Portfolio Holder added that the Council needed to move forward and the proposals would help deliver a flexible IT service to meet various initiatives outlined above and in the report and deliver a Disaster Recovery Plan. In addition, the proposals would enable the Council to implement the transformation projects thereby achieving savings. He stated that the decision before Cabinet was 'in principle' subject to consultations. The Portfolio Holder stated that Members had been briefed fully on the in-house submission. A recent report submitted by Unison to members had been reviewed as far as was practicable in light of the time available.

Finally, the Portfolio Holder gave a commitment that all submissions would be carefully considered, including staffing issues. He was of the view that there were significant risks associated with IT remaining inhouse, and referred to the significant risks set out in the report. He stressed that this was not a reflection on staff but due to a lack of strategic direction and investment. He moved an amendment to the recommendation, which required an agreement with the appropriate Portfolio Holders.

The Corporate Director stated that she was taking this matter seriously and that the decision was a complex one in the current financial situation. The investment plan was critical to the success of the Transformation Programme, and that a detailed analysis had been carried out of the proposals from Capita and the in-house bid. The decision was subject to consultation and she assured that every effort would be made to mitigate the impact on staff and support would be provided to help them move forward.

The Leader noted that the decision before Cabinet was a difficult one. He added that meetings would be set up with staff.

The confidential appendix was noted.

RESOLVED: That

- (1) the proposal that the IT Service be transferred to Capita be approved 'in principle', subject to further consultation with staff and trade unions;

- (2) the Corporate Director of Finance, with the agreement of the appropriate Portfolio Holders, be authorised to agree the terms of the contract, provided these remain consistent with the report;
- (3) the contract be negotiated for assignment of up to a ten year term, with an option to break the contract after five years to be coterminous with the end of the wider partnership with Capita in 2015 (if the view was taken that it would be unwise to continue the IT service in isolation);
- (4) the Corporate Director of Finance be authorised to enter into a contract.

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 needs 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 solution 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, etc. There were substantial non cashable benefits for Members, staff and customers. If the Council proceeded with Capita, they 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.