



**AGENDA ITEM: 9**  
**SUMMARY**

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>29<sup>th</sup> May 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Memorandum of Understanding for Information Communication Technology Partnership</b>
Contact:	Neil Harden, Portfolio Holder for Residents and Regulatory Services.  Louise Miller, Corporate Director Performance, Improvement and Transformation. Janice Milsom, Assistant Director Strategy and Transformation, Community and Organisation.
Purpose of report:	To seek Cabinet approval for the Memorandum of Understanding with Aylesbury Vale District Council (AVDC) and continue to progress towards a more formal partnership for the ICT service.
Recommendations	<ol style="list-style-type: none"> <li>1. The Cabinet support and endorse the Memorandum of Understanding with Aylesbury Vale District Council (AVDC)</li> <li>2. Cabinet agree to delegate the signing of the Memorandum of Understanding (MofU) to the PH for Service and Performance Improvement in conjunction with the Corporate Director Performance, Information and Transformation, to coincide with the signing at AVDC</li> <li>3. Cabinet note the improvements made in the ICT service since December 2011 and Cabinet agree to the procurement of interim day to day ICT management up until the end of December 2012 with the potential extension for a further three months.</li> <li>4. Cabinet note the proposal to review the structure of the current DBC ICT service to ensure the continued delivery of improvements in the Service.</li> </ol>

Corporate objectives:	<p><b>Dacorum Delivers:</b></p> <p>This is part of the Shared and Out Sourced Services project which will transform service provision offering greater efficiencies. In addition, issues arising over the past year have highlighted weaknesses within the current ICT provision which need to be addressed to enable business continuity and delivery of wider corporate objectives such as the Public Service Quarter project.</p>
Implications:	<p><u>Financial</u></p> <p>None.</p>
'Value For Money Implications'	<p><u>Value for Money</u></p> <p>None.</p>
Risk Implications	Risk Assessment reviewed on 1 <sup>st</sup> February 2012
Equalities Implications	Equality Impact Assessment reviewed 1 <sup>st</sup> February 2012
Health And Safety Implications	
Monitoring Officer/S.151 Officer Comments	<p><b>Monitoring Officer:</b></p> <p>The Legal Governance team have been involved in the drafting of the Memorandum of Understanding (MOU) and are satisfied that it is in an appropriate form. The MOU does not create any legal/contractual obligations between the parties, but there is an intention to agree a formal Inter-Authority Agreement (IAA) within a period of 12 months. The Legal Governance team will continue to advise on the development of the IAA to ensure that the Council's interests are protected.</p> <p><b>S.151 Officer</b></p> <p>The Memorandum of Understanding (MofU) is designed to be cost neutral in that both parties have agreed to cover their own costs in this financial year. However, over the coming year, one of the key functions of the ICT Partnership Board will be to recommend to each party an annual budget for the ICT service by 1st December of 2012. This will form part of the budget setting process for 2013/14</p> <p>No further financial implications are anticipated from the MOFU itself, although unforeseen costs may arise as a result of the partnership, such as in respect of IT infrastructure or the equalisation of systems and standards, which have not been included in the capital programme or revenue budgets for</p>

	2012/13. The financial implications of such developments will need to be considered as and when they arise.
Consultees:	Performance Board John McGinty, Corporate Director AVDC Alan Evans, Head of ICT AVDC Clive Bell, Legal Services DBC
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<i>AVDC – Aylesbury Vale District Council;</i> <i>DBC – Dacorum Borough Council;</i> <i>IAA – Inter Authority Agreement;</i> <i>ICT – Information Communication Technology;</i> <i>MofU – Memorandum of Understanding; and</i> <i>SLA – Service Level Agreement.</i>

## BACKGROUND

1. Following an external review of the Council's options on the future provision of Information Communication Technology (ICT) service, a report was produced and discussed at Performance Board in December 2011. The report recommended that of four options considered a Partnership with Aylesbury Vale District Council (AVDC) should be pursued.
2. The Performance Board accepted this recommendation and the Shared and Outsourced Service's project team have worked with AVDC to create a Memorandum of Understanding which will form the basic framework for moving towards a partnership with AVDC. The Performance Board asked the project team to report back to Cabinet at a later date for a decision on going into partnership with AVDC for the provision of ICT; this report is the next step in the process.
3. The review also highlighted a number of resilience issues in the ICT provision. These included the backup solution, the lack of project closure and the management of the helpdesk; as a result of this a decision was taken to procure expert ICT professionals to manage and deliver the improvement programmes and act as advisers on the partnership.
4. In January 2012 the external advisors and the Group Manager (Performance, Transformation and Projects) initiated a temporary realignment of staff and teams to enable the service to meet the challenges of project delivery and reducing the help desk calls.
5. Since January 2012, the ICT improvement programme has:
  - a. delivered a new back up solution making the Council more resilient;

- b. reduced the pending helpdesk calls from over 400 in January 2012 to less than 150 in April 2012;
- c. completed the installation of the Mitel phone system ; and
- d. installed a more resilient firewall solution.

#### **PARTNERSHIP PROGRESS AND THE MofU**

6. In January 2012 initial discussions with AVDC on a potential partnership commenced. At the first meeting of the two Councils, officers produced four ambitions for the partnership to work towards. These are:
  - a. The partnership delivers efficiencies via staffing and infrastructure;
  - b. The partnership increases the resilience of both organisations;
  - c. The partners will share the risk of moving ahead with new ICT development which deliver savings/service improvements; and
  - d. In the long term the partnership will look to lever in wider opportunities.
7. Arrangements were also developed to enable AVDC to support the delivery of the improvement plan within DBC. As a result of this, a Service Level Agreement (SLA) has now been signed between DBC and AVDC which covered the cost of any support as well as the expectations of both parties.
8. The external advisors, Foresight Consulting, have worked with DBC and AVDC in the development of the partnership MofU; providing guidance on the structure of the partnership as well as the documentation of the partnership.
9. As outlined above the MofU (Appendix A) has taken a number of months to formulate and reflects the four ambitions. In addition senior officers have identified a number of joint objectives that both Councils want to achieve through the partnership. These are:
  - To commence and develop the process of team integration resulting in the creation of the ICT Service Desk using common processes and shared know-how rather than shared organisational structures.
  - To create a programme of work, for both authorities, so as to then identify opportunities for synergies. Appendix A shows the current scope / direction of travel.
  - To create a joint ICT Strategy that defines (or even mandates) joint systems replacement and implementation plans based upon the existing AVDC Cloud Strategy.
  - To create a shared ICT service, with a single manager and single team and governance arrangements that allows both authorities to achieve their own organisational objectives.
  - To deliver significant service improvements and cost reductions through, for example, exploiting economies of scale and reducing duplication.

10. The MofU sets out the governance of the partnership; this will ensure that both Councils have an equal influence in the running and development of the ICT Service. There are two boards within the partnership;
  - a. The Partnership Board controlling the ICT service strategic delivery and will consist of two Members from each Council and two Officers. The chair of the Partnership Board will alternate between DBC and AVDC.
  - b. The Architectural Board will manage and be responsible for the designing and deciding of the infrastructure and technology. The Architectural Board will have a technical lead from both DBC and AVDC and it will be chaired by the Head of ICT from AVDC.
11. The MofU provides the foundations on which the partnership will be developed and after a year of the MofU it is proposed that DBC and AVDC develop an Inter Authority Agreement (IAA). The IAA will be presented to both Cabinets to be agreed before DBC and AVDC enter into the agreement. The IAA is expected to go to the respective Cabinets in December 2012. However, there will need to be a three month contingency built in to the project to cover unforeseen delivery aspects of DBC's Priority Projects.

#### **RESTRUCTURE AND INTERIM MANAGEMENT**

12. The recent improvements in the ICT service have been as a result of two distinctive changes. The first being the employment of interim day to day management of the ICT service. The second being the development of three teams within the ICT service delivering specific parts of the service.
13. There are further improvements that DBC need to achieve as the partnership is progressed; for example further reductions in the number of help desk calls and the development of the help desk team, ensuring there are dedicated resources to the help desk service and hands on technical management to ensure the service improves.
14. DBC has some priority projects, such as the Public Service Quarter, which are to be delivered during the development of the ICT partnership. In order to achieve this, the external advisors have created project plans for all critical ICT projects.
15. While DBC moves towards the partnership, there will continue to be pressures on the ICT service in terms of delivering critical projects and addressing day to day issues. Having strong team management in place and stable ICT teams is key to a successful delivery of DBC's priorities and service pressures. In light of this plans are currently in place to retain external support for the period at least until December 2012. In addition, there will be a formal restructure of the service in early summer 2012 to align resources to requirements.

#### **CONCLUSION**

16. The MofU sets out the principles of the partnership with AVDC which enables the DBC to have a greater resilience within the ICT service. There are clear synergies between AVDC and DBC ambitions for the ICT service as well as potential for shared efficiencies in the future.

17. Cabinet approval of this MofU will ensure that DBC has a resilient ICT service. The partnership will deliver economies of scale for ICT as well as system consolidation for both Councils. Signing the MofU will not impact on DBC's control over the on-going development of the service or any decisions taken on the day to day delivery of the service.