Report No. FSD14010	**London Borough of Bromley**
	PART ONE - PUBLIC

Decision Maker:	**RESOURCES PORTFOLIO HOLDER** **PRE SCRUTINY BY EXECUTIVE AND RESOURCES POLICY** **DEVELOPMENT AND SCRUTINY COMMITTEE**		
Date:	**Wednesday 5 February 2014**		
Decision Type:	Non-Urgent	Non-Executive	Non-Key
Title:	**RECRUITMENT OF JOINT HEAD OF IT - LONDON BOROUGHS** **OF BROMLEY AND SOUTHWARK**		
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Chief Officer:	Director of Finance Director of Corporate Services		
Ward:	N/A		

1.   Reason for report

1.1   This report seeks approval for service changes to secure the joint appointment of a Head of IT for the London Boroughs of Bromley and Southwark. This represents the first stage of a shared service opportunity and the successful post holder will be required to produce a business case to identify opportunities for financial savings and/ or service improvements.

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2.   **RECOMMENDATION(S)**

      The Resources Portfolio Holder is asked to

      2.1   Subject to separate confirmation by London Borough of Southwark, agree to approve the service changes to enable the recruitment of a joint Head of IT to cover the London Boroughs of Bromley and Southwark.

      2.2   To note that following the recruitment of a joint Head of IT, a detailed business case will be reported back to the Resources Portfolio Holder to identify proposals for the further integration of IT services between the boroughs and the potential benefits including consideration of service delivery models.

Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details

2. BBB Priority: Excellent Council

Financial

1. Cost of proposal: Recruitment costs will be met from existing budgets

2. Ongoing costs: Joint Head of IT will provide savings in existing staffing budget

3. Budget head/performance centre:Main code 400 Information Systems and Telephony

4. Total current budget for this head: The total cost of Bromley's Information Systems and Telephony Services is £7.3m (2013/14 Budget)

5. Source of funding: Revenue Budget

Staff

1. Number of staff (current and additional): 24fte

2. If from existing staff resources, number of staff hours: Joint post reducing staff hours

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Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details

2. Call-in: Applicable Not Applicable: Further Details

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): IT services impact on many customers both internal and external ranging from provision of a kety tool in supporting service delivery to access to information available to the public using technology

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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable

2. Summary of Ward Councillors comments: Not Applicable

3.   COMMENTARY

3.1.   In broad terms, IT services cover help desk facilities, project delivery, systems maintenance, systems implementation, procurement of hardware and software, key strategic advice, ensuring a "fit for purpose" technical architecture, inventory asset management, ensuring systems remain supported, reviewing license fees and information security. All these functions are performed by each individual authority and there remains scope for rationalisation between organisations. There may also be opportunities for more joined up work with potential benefits.

3.2   The Head of IT Services post at Bromley has been vacant for approximately one year. During this period there has been acting up arrangements and the recruitment of this key post was delayed whilst alternative opportunities for joint working were being explored. Any opportunity for joint working is on the basis of providing real benefits to Bromley, both financial and service related benefits. The previous strategy for IT now needs to be updated and required changes implemented which makes the recruitment of a replacement more critical.

3.3   Bromley and Southwark Councils both have a vacant Head of IT post and use the same main contractor namely Capita Secure Information Systems (CSIS) for the provision of IT services. Using the same contractor provides a further opportunity to achieve benefits from joint working.

3.4   The ongoing austerity period combined with Bromley being a commissioning authority results in the need for a fundamental review of the strategic and operational IT requirements of the Council and ensure a service that remains resilient to support key services whilst embracing future cost saving opportunities. A service that can adapt and be flexible to meet the business needs of the organisation.

3.5   The IT Division has 24 full time equivalent posts and a revenue budget of £7.3m which includes the Capita contract. There are also resources set aside in the Council's capital programme for implementing key IT projects. Southwark have 28 full time equivalent posts and a revenue budget of £11m.

3.6   The main benefits in looking at integration are:

3.6.1 Help strengthen contract management

This is particularly opportune given the sharing of the same contractor.

3.6.2 More effective use of combined resources

.   An effective IT service requires staff with some specialist skills and knowledge and joint working provides an opportunity to share such key resources rather than buy in more expensive provision. The council has to implement many new changes including for example, implementation of Windows 7 to replace an unsupported Windows XP. Combining resources would reduce implementation costs.

3.6.3 Ensure that the overall service remains resilient in supporting the organisation

The impact of the austerity period will result in further cost reductions and Bromley will need to retain sufficient core resources to meet ongoing service and statutory demands. As the organisation becomes smaller there is a greater risk of losing resilience to adapt to the future changes

3.6.4 Improve resilience of infrastructure

The Council will need to maintain key IT infrastructure to support its IT business needs. A wider resource base with sharing of costs will enable the Council to provide more cost effective back up and disaster recovery options.

3.6.5 Improve capacity for strategic development and joint investment

The Council will need to update its IT strategy to reflect the future landscape for local authorities, reflecting greater partnership opportunities, addressing a smaller and changing organisation in the future, meeting the changes arising from a Commissioning Authority etc. Sharing resources will improve capacity to meet these changes.

3.6.6 Joint procurement opportunities with potential savings as well as opportunities to reduce licence fees

The purchasing power of both authorities combined will enable greater opportunities for procurement savings as well as enable both authorities to be "better placed" to negotiate improvements in licence fees.

3.6.7 Greater flexibility to deal with future downsizing of organisations whilst protecting existing staff

It is anticipated that the combined resources will provide greater opportunities to redeploy staff as vacancies arise as well as provide better opportunities for the retained staff.

3.6.8 Broaden and improve the type of services offered from IT by both boroughs

By sharing specialist skills between boroughs individual authorities can utilise a much wider range of services .

3.6.9 Provide a platform for sharing with other local authorities in the future

This will provide an opportunity for wider joint working if savings and service benefits can be evidenced. Two other local authorities have expressed an interest in being part of a joint service in the future. Service delivery models could be explored to find the most cost effective solution.

3.7 There are inherent risks around a joint service relating to ensuring each authority's priorities are delivered. Governance arrangements will be critical to ensure that this risk is mitigated.

3.8 The purpose of this report is to seek approval for a joint recruitment of a Head of IT and not to agree to an integrated joint IT service. Any decision to integrate both services will be dependent on a strong business case being delivered to identify opportunities for financial savings and service benefits. However the benefits identified in 3.6 above illustrate the benefits of seeking a joint Head of IT at this stage.

3.9 There have been initial discussions with CSIS about the potential benefits they could offer from a joint integrated service. They have been positive about the potential benefits for both Councils and the potential opportunity to deliver savings from a combined joint approach. Examples of the benefits they have identified include:

(a) Obvious savings of the joint post driving consistency in approach, standardisation, removing duplication and ultimately combining a linked road map (strategies would still be separate based on each council's desired outcome).

(b)   Programme management and shared resources – a consistent approach in governance including boards (one capability across both councils) – driving standardisation and efficiency.

(c)   Vendor management and third party contracts – driving benefits by joined up licence management and support contracts, likely involving third party rationalisation and cost savings.

(d)   Joint procurement – one capability across both councils, joined up systems and process removing duplication and costs

(e)   Shared applications – needs a real appetite but shared application and hosting on same infrastructure with data management and security separate.

(f)   Application management – combined application support team, shared knowledge, de-risk single points of failure and potentially remove cost.

(g)   Knowledge management – combined storage and management of data with joint reporting tools and dash boards.

(h)   Change in quality management – combined teams and processes across both councils managing the process driving ITIL practices.

(i)   Future road maps – joint road maps and architecture, innovation forums, trialling new technology, pilots etc – only doing this once to drive the same outcome/reduce costs.

3.10 A joint appointment is expected to attract a higher calibre candidate for the role. The job holder will have direct responsibility for the development of the Councils' future IT strategies and the management and control of budgets to a combined value of over £18 million and influence over the expenditure of procured services. The joint Head of IT will be expected to manage the operational leads in each of the Boroughs who are responsible for about 52 staff between them and who will continue to ensure that operational service delivery meets local needs and priorities. There have already been other joint recruitment posts which have identified savings opportunities – this includes for example, London Boroughs of Kingston and Sutton as well as the Royal Borough of Kensington & Chelsea and London Borough of Hammersmith & Fulham. The initial proposals in this report relate to sharing a post between the two authorities which will provide some initial savings but the wider aim is to look at the potential opportunities of sharing resources and any savings that can arise. However, this report just relates to the recruitment of a joint post and any detailed proposals in terms of the future of the service, will be reported back following a full business case.

3.11 The Director of Corporate Services will continue to have responsibility for the IT services at Bromley. However the merging IT services, which has evolved following discussion between the respective Directors of Finance for each authority, is a significant undertaking. It will require appropriate governance to be in place to ensure that the operational aspects of the service continue to function whilst also enabling strategic development and joint investment as appropriate. The governance will include representation from across both boroughs and the Director of Corporate Services and the Director of Finance will work jointly to steer the work of the shared IT service and resolve issues of prioritisation.   As part of managing the joint working the Director of Finance at Southwark will be responsible for managing the new post and will work with the Bromley's Director of Finance on assessing the financial business case for integration and the transformational change agenda.

3.12 The joint head of IT will be required to prepare detailed proposals for the integration of IT services across the two councils. It is important to note that there have been reductions in the cost of IT and staffing levels. The proposal for shared services with Southwark will offer the best response to this challenge and is a good starting point in dealing with core technology, service culture and identifying complementary services. The focus on the business case will be on the broad range of benefits a shared service can bring as well being financially driven. The bulk of any financial benefits will be achieved once a shared service is in place. There will be some immediate benefit savings for a consolidated post.

3.13 It will be important to explore the most appropriate delivery model in the medium term, method of sharing the benefits and the balance between cost reductions and service quality across the two boroughs. There will also be a need to seek additional benefits to the CSIS contract with negotiations focusing on providing a more flexible approach with options to expand or contract dependent on the direction of both organisations.

3.14 The sharing of the same contractor as well as both boroughs having a vacant post is an opportunity to consider the potential benefits of recruiting a joint Head of IT but also in the next phase, to look at the opportunity for integration of services to provide potential savings for both local authorities.

4. POLICY IMPLICATIONS

The proposal supports the provision of a high quality IT service to assist the Council in meeting and maintaining its objective of being an Excellent Council.

5. FINANCIAL IMPLICATIONS

5.1 The report requests the approval of a Joint Head of IT which will be jointly funded by both boroughs. The jointly funded post will replace the Council's Assistant Director of IT post in Bromley with an initial saving achieved through moving to a partly Council funded post.

5.2 The 2013/14 Budget for the Assistant Director of IT is £86k and it is anticipated that through this shared service, savings in the region of £24k will be achieved in a full year (after allowing for the job evaluation). This saving will be used to offset future budget pressures.

5.3 Any joint funding of the post would also require joint funding of any staff related costs including for example, future redundancy liabilities.

5.4 There will be a joint Memorandum of Understanding provided to reflect the respective responsibility of both organisations for a joint funded post.

6. LEGAL IMPLICATIONS

An effective IT service is key to support the Council in meeting its statutory obligations.

7. PERSONNEL IMPLICATIONS

The existing Head of IT post at Bromley is currently vacant although there are acting up arrangements in place for some existing staff. The post of Joint Head of IT will, initially, be hosted by Southwark Council.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	[Title of document and date]