

DECISION RECORD

Officer Key Decisions are subject to the Council's Call-In Procedure (Part 4 of the Council's Constitution <http://www.stevenage.gov.uk/content/committees/96416/Part4E-Overview-and-Scrutiny-Procedure-Rules-updated-October-2016.pdf>)

Subject: 3 month extension of ICT Partnership Agreement between East Hertfordshire District Council and Stevenage Borough Council

Staff Contact: Richard Protheroe

Executive Member: Rob Broom

Tel: 01438 242938

Portfolio: Neighbourhoods and Co-operative Working

1. Decision

- 1.1 That the ICT Partnership Agreement between East Hertfordshire District Council and Stevenage Borough Council be extended until 30 June 2019 in accordance with clause 13.4 of the partnership agreement.
- 1.2 That the financial model in Schedule 3 of the agreement is independently reviewed and a new cost formula for the ICT Shared Service be developed for 2019/20.
- 1.3 That it be noted that the ICT Shared Service has approved funding in the current Capital Strategies of East Hertfordshire District Council and Stevenage Borough Council and that future capital investment or savings for the service will be incorporated into future Capital Monitoring Reports.

2. Reasons for the decision

- 2.1 The ICT Shared Service was jointly established by East Hertfordshire District Council (EHC) and Stevenage Borough Council (SBC) in August 2013 following the consideration of a detailed business case. The duration of the partnership agreement (as seen in Appendix 2) was initially for five years and was extended for six months on 1st August 2018.
- 2.2 Officers currently feel that it is in the interest of both Councils to extend the partnership agreement until 30 June 2019. This will enable time for a new joint ICT Strategy to be developed for both authorities and to determine the medium to longer term future of the ICT Partnership. It is anticipated that the new ICT Strategy and supporting investment programme will be presented to the Executive Committees of both Councils in June 2019.
- 2.3 The partnership agreement may be extended by the ICT Partnership Board for a period not exceeding two years at a time. For the avoidance of doubt clause 13.4 of the partnership agreement makes it clear that the agreement can be extended more than once at the ICT Partnership Board's reasonable discretion.

DECISION RECORD

- 2.4 Subject to each Council approving the extension of the Partnership Agreement, SBC will continue to provide "The Service" as outlined in clause 31 to 3.3 and Schedule 2 of the Partnership Agreement
- 2.5 Each Authority is required to ensure that there is adequate approved budget provision to fund the ICT Shared Service. The funding for the shared service needs to be in line with the cost formula within part 4b of schedule 3(Financial Model).
- 2.6 An independent review of Schedule 3 will be completed during quarter 1 of 2019/20 jointly commissioned by the Chief Finance Officers at both Councils with the objective to help provide greater transparency regarding cost and resource usage. The new model will set out the principles on which revenue costs and savings are to be shared. The model will also including funding arrangements for recharges associated to SBC as the host authority which were previously excluded.
- 2.7 Capital resources for the shared service during 2019/20 are captured within the Capital strategies of both Councils.
- 2.8 Capital work underway or being planned to enhance the ICT infrastructure during 2019/20 includes:
- Storage upgrade and asset replacement programme
 - Increasing resiliency through:
 - Procurement of a Microwave secondary link for the dual site data centre
 - Desktop software upgrade to improve performance
 - Improved power resilience
 - Security and networking capability enhancements
 - Firewall enhancements and switch replacements
- 2.9 Officers from the Shared ICT Service are working with Microsoft to develop a programme of activity to further enhance the ICT infrastructure and deliver improved service resilience. A draft ICT road map is anticipated during March 2019 which will help inform the development of the new joint ICT Strategy. Any additional future capital investment or savings for the service will be incorporated in future Capital Monitoring Reports of both authorities.
3. **Alternative options considered and rejected**
- 3.1 The ICT Partnership Board has given consideration to alternative options, these include:
- Do nothing – this is not recommended as there will be no formal agreement covering the provision and funding of ICT infrastructure and services between SBC and EHC. A 3 month extension of the Partnership Agreement will provide time to ensure good ICT governance is embedded and enable the development of the ICT strategy that will set out the direction of the shared service in future.
 - Extend the Partnership Agreement for two years - this is not recommended as we need to develop the new ICT strategy which will help to determine the governance and partnership arrangements required from July 2019 which may differ to the current terms and conditions of the agreement.

DECISION RECORD

- End the ICT partnership now – this is not recommended. It is important to note that any partner that wishes to withdraw from the partnership agreement is required to give no less than 12 months' notice to the other partnering authority of its intention to do so. In such an event both Councils would be required to agree principles for withdrawal and jointly develop and deliver an exit management plan to ensure continuity of service and enable an orderly migration of the service to the partner authorities.

4. **Appendices**

Appendix 1 – ICT Partnership Agreement

5. **Consultation**

(a) Comments of Executive Member

It is in the strategic interest of SBC to continue the ICT Partnership with EHC due to economies of scale. Extending the agreement for 3 months will allow for the development of the new ICT Strategy and enable the future funding model for the shared service to be developed.

(b) Comments of other consultees

6. **Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.**

Signed: *SIGNATURE REDACTED*

Title: *STRATEGIC DIRECTOR*

Date: *22/3/19*

7. **PLEASE RETURN COMPLETED/SIGNED FORM TO CONSTITUTIONAL SERVICES FOR PUBLICATION**