



**Cabinet**  
29 June 2015

**Report from the  
Chief Operating Officer**

For Action

Wards Affected:  
[ALL]

**ICT Work with the Local Government Association**

Appendix 1 is Not for Publication.

**1.0 Summary**

1.1 This report sets out proposals for Brent Council to partner with the Local Government Association for the provision of ICT services.

**2.0 Recommendations**

2.1 That Cabinet approves the council entering into an agreement to partner with the Local Government Association for the provision of ICT services, including the implementation of new infrastructure for their offices, the hosting of their ICT services at the Brent Data Centres, and the ongoing provision of ICT support services.

2.2 That Cabinet delegate authority to the Chief Operating Officer in consultation with the Lead Member, the Chief Legal Officer and Chief Finance Officer to establish a company jointly owned by London Borough of Brent and the Local Government Association to facilitate Recommendation 2.1.

**3.0 Detail**

3.1 The Local Government Association ("LGA") has an ICT contract with Liberata, providing hosting and infrastructure and application support services. This contract comes to an end in January 2016. The LGA have decided not to procure a new contract but instead to find an ICT partner among their membership.

- 3.2 The LGA approached 6 local authorities with an in-house ICT team in early 2015, Brent being one of them, and invited them to provide an initial proposal detailing what the ICT service would look like. As part of the process staff from the LGA visited Brent and went through a series of demonstrations of our ICT systems as well as interviews with Brent staff in various service areas to understand the level of satisfaction with the ICT service.
- 3.3 Brent submitted their proposal in February. The LGA went on to shortlist 3 potential partners, to provide a more detailed proposal leading to a final decision for their selected partner. Brent was successful in being selected at that stage, and had to develop a more detailed proposal in May 2015, as well as hosting a full-day event for LGA staff to come to Brent to talk to ICT staff as well as interview more staff from other service areas, including the Registrar service at Barnet, Customer Services, Trading Standards and Brent Housing Partnership.
- 3.4 As part of the process a meeting took place between a Brent Senior Contracts Lawyer and a member of the LGA legal team to discuss the options around setting up a “Teckal” company jointly with the LGA to deliver the services. This was a mandatory requirement for the LGA to select an ICT partner.
- 3.5 The LGA completed their evaluation of the 3 local authorities and announced their decision to select Brent Council as their preferred partner on 10/6/2015.
- 3.6 Due to the timescales of the Liberata contract ending, and the amount of infrastructure work required to prepare for taking over the service, Officers committed in Brent’s proposal to seek Cabinet approval by the end of June, so that, if approved, Officers can immediately start work to finalise governance arrangements and implement the new infrastructure.

#### **4.0 Financial Implications**

- 4.1 The LGA will be providing capital funding for the implementation of the infrastructure to support their services, including the cost of all hardware, software, third party contracts, as well as funding either interim staff used in the project or paying for the cost of Brent staff involved. The Brent proposal included an overall implementation cost of £1,074,300, however a number of items were optional and therefore the exact overall cost is to be determined at the beginning of the project following the initial meetings with LGA staff.
- 4.2 The proposal suggested an annual support cost of £408,280 in fixed costs, as well as £59,200 in variable costs for 400 users. These costs would cover any expenditure incurred by Brent towards the delivery of the ICT services, as well as contribute towards the saving target for the Digital Services revenue budget.
- 4.3 Negotiations with their legal department on TUPE arrangements is

progressing; however it is clear in the discussions that any actual costs that come as a result of TUPE will be covered by the LGA in their entirety.

## **5.0 Legal Implications**

- 5.1 The recommendation in this report for the council to partner with the LGA for the provision of ICT services is permitted pursuant to the general power of competence in s1 of the Localism Act 2011 and the Local Authority (Goods and Services) Act 1970.
- 5.2 In view of the value of the proposed arrangement as detailed at paragraphs 4.1 and 4.2, Cabinet approval is required to such partnership arrangements in accordance with Contract Standing Order 87. The Council will need to enter into an agreement with the LGA setting out both parties' respective duties and liabilities in relation to the proposed arrangement.
- 5.3 As detailed in paragraph 3.4, the LGA made it a mandatory requirement for the partnering arrangement to be delivered through a company established and owned jointly with the LGA to deliver the services. This is to ensure that the arrangement is compliant with the requirements of the Public Contracts Regulations 2015. Further information regarding the proposed company is contained in Appendix 1.
- 5.4 Establishment of a new company will require further discussions with the LGA regarding such matters as governance and service delivery. Given the limited time available before the proposed partnership arrangements are due to commence, it is recommended that authority is delegated to the Chief Operating Officer. Legal and Finance expertise will be required to inform this process and ensure that the Council's interests and as a result the proposed delegation to the Chief Operating Officer is subject to consultation with the Chief Legal Officer and the Chief Finance Officer.

## **6.0 Diversity Implications**

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

## **7.0 Staffing/Accommodation Implications**

- 7.1 The partnership arrangements will primarily be delivered through the use of existing council staff. There is no intention to transfer these staff into the company owned jointly with the LGA.
- 7.2 The LGA are currently in discussions with their current contractor, Liberata, as to the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") for staff presently delivering ICT services. It would seem that approximately 3 staff may transfer pursuant to TUPE from

the Liberata. The LGA has indicated that additional payments would be made in respect of any staff that may TUPE and these arrangements will be included in the proposed agreement between the council and the LGA.

## **8.0 Background Papers**

8.1 None

### **Contact Officer(s)**

Prod Sarigianis  
Acting Head of Digital Services  
Email: Prod.Sarigianis@Brent.gov.uk  
Tel: 020 8937 6080

**LORRAINE LANGHAM**  
**Chief Operating Officer**