



Cabinet
12 October 2020

**Report from the Strategic Director
of Customer and Digital Services**

ICT Work with the Local Government Association

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt:	Open
No. of Appendices:	None
Background Papers:	None
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1.0 Purpose of the Report

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

2.0 Recommendation(s)

That Cabinet:

- 2.1 Notes current arrangements for partnership working with the Local Government Association in relation to the provision of ICT services as set out in paragraphs 3.1 and 3.2.
- 2.2 Approves the council entering into further arrangements to partner with the Local Government Association for a period of 3 years with an optional 2 year extension for the provision of ICT services, to include the hosting of its ICT services at the Brent Data Centres, and the ongoing provision of ICT support services and the implementation of new hardware where necessary.
- 2.3 Delegates authority to the Strategic Director of Customer and Digital Services in consultation with the Director of Finance and the Director of Legal, HR, Audit and Investigations to agree the full terms of the legal agreements required to deliver the partnering arrangements referred to in 2.2 above and thereafter to enter into such agreements.

3.0 Detail

- 3.1 The council entered into a partnering arrangement with the Local Government Association (LGA) for the provision of ICT services in January 2016. This arrangement involved the establishment of a company jointly owned by the council and the LGA, called LGA Digital Services Limited (LGA Digital). This is a company that complies with the requirements of Regulation 12 of the Public Contracts Regulations 2015 (commonly referred to as a Teckal company). Three contracts were also entered into whereby LGA Digital provided services to the LGA and purchased from and also provided services to the Council.
- 3.2 The partnering arrangement with the LGA has worked well since 2016. The Council has assisted LGA to implement new technologies such as DA Laptops that have improved resilience and facilitated new ways of working: that proved to be significant during the COVID 19 lockdown. The new technology also benefited the Council by reducing the number of support calls from LGA staff.
- 3.3 The existing contracts between the Council, LGA Digital and the LGA will terminate on 29th January 2021. Following a review of partnering arrangements that involved a soft market testing exercise, the LGA has indicated that they would like to continue to work in partnership with the Council and for LGA Digital to continue to deliver ICT services.
- 3.4 Officers consider that there are benefits to the Council in continuing to deliver the service in partnership with the LGA. The income from LGA contributes to the cost of maintaining and replacing core ICT and networking infrastructure. A term of 3 plus 2 years is preferred because it provides stability for all parties and allows for the ongoing development and implementation a strategy roadmap.
- 3.5 It is proposed that future partnering arrangements will be delivered in the same was as currently, using LGA Digital, the Teckal company jointly owned by LGA and Brent.
- 3.6 Detailed negotiations are taking place with the LGA regarding its specific service requirements and the associated cost. Officers are therefore seeking Cabinet approval to delegate authority to the Strategic Director of Customer and Digital Services in consultation with the Director of Finance and the Director of Legal, HR, Audit and Investigations to agree the full terms of the legal agreements required to deliver the partnering arrangements and thereafter to enter into such agreements.

4.0 Financial Implications

- 4.1 Discussions are ongoing about LGA's specific requirements. The annual support cost is likely to be around £600,000 in fixed costs, plus £130,000 in variable costs for 480 users. These costs would cover any expenditure incurred by Brent towards the delivery of the ICT services.

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. The partnering arrangements proposed with the LGA do not constitute the establishment of a formal partnership.
- 5.2 In view of the value of the proposed arrangement as detailed at paragraph 4.1, Cabinet approval is required to such partnering arrangements in accordance with Contract Standing Order 87.
- 5.3 Consistent with current partnering arrangements, it is proposed that the council, LGA and LGA Digital will enter into agreements setting out the parties' respective duties and liabilities in relation to the proposed arrangement. These agreements are likely to be classed as High Value Contracts under the Council's Contract Standing Orders and Financial Regulations. As such, Cabinet approval is required to award / enter into such contracts. As negotiations on the details of these agreements has not yet been concluded, delegated authority is sought to the Strategic Director of Customer and Digital Services in consultation with the Director of Finance and the Director of Legal, HR, Audit and Investigations to agree the full terms of the legal agreements and thereafter to enter into such agreements
- 5.4 The value of the proposed agreements are such that a competitive procurement process would ordinarily be required under the Public Contracts Regulations 2015. However, as detailed in paragraph 3.1, Brent and LGA established LGA Digital in 2016 to deliver the services and this is a company that complies with the requirements of Regulation 12 of the PCR 2015. As a result both the Council and the LGA may rely on Regulation 12(4) of the PCR 2015 to directly award contracts to LGA Digital, with the direct award of a contract by LGA Digital to the Council being permitted pursuant to Regulation 12(2) of the PCR 2015.

6.0 Equality Implications

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

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The partnering 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.

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 None

Report sign off:

PETER GADSDON

Strategic Director of Customer and Digital Service