

## SCHEDULE 5

### EXIT MANAGEMENT PROTOCOL

#### Overview

1. This Exit Management protocol sets out the process to be followed and the activities to be undertaken during the Exit Period to migrate ICT services from Shared Technology Services to the Withdrawing Council(s) and/or a Replacement Contractor(s) in the following circumstances:-
  - 1.1.A Council issues a notice to withdraw from Shared Technology Services pursuant to clause 14 of the Agreement.
  - 1.2.The Councils agree to terminate Shared Technology Services pursuant to clause 15 of the Agreement.
2. This schedule is intended to act as a guide only to the steps required to successfully enable one or more Councils to exit from Shared Technology Services. It is not intended to cover every eventuality or detail every action required during the exit process. In particular:-
  - 2.1.Should Brent (as the Host Council) issue a notice to withdraw this would lead to the dissolution (termination) of the current Shared Technology Services. Whether Lewisham or Southwark take on the role of Host Council in a new or revised Shared Technology Services arrangement or Lewisham and Southwark elect to in-source or out-source the service, Brent shall be deemed to be the Withdrawing Council for the purposes of financial apportionment as set out in Schedule 8 (Financial Principles).
  - 2.2.Should the Agreement be terminated, whether pursuant to clause 15 of the Agreement or as a consequence of a Council withdrawing from Shared

Technology Services pursuant to clause 14 of the Agreement, the exit management process will need to be followed simultaneously for all exiting councils.

2.3. The Councils recognise that a degree of flexibility in the application of the provisions of this Schedule is required and have agreed that they shall each abide by the principles of fairness, proportionality and co-operate in good faith, in applying the terms of this Exit Management Protocol and seeking to ensure that the Partnership Principles are maintained as far as possible; and in the case of the Host Council the principle in the Agreement that the Host Council is to be no worse off because of it being the Host is to be recognised and applied.

2.4. In the event of Termination of the Agreement any reference to Withdrawing Council in this Schedule shall mean all the Councils.

### **Exit Activity**

3. The exit activities to be undertaken during the Exit Period will be treated as a programme of work consisting of:

3.1. Work required within Shared Technology Services to maintain and adapt Shared Technology Services's environment to cater for any changes arising from the exit by the Withdrawing Council and the affect that the exit by that Council will have on Shared Technology Services, potential diminution in service requirements and associated reduction in staffing required, and work required to support the extraction and transition of the Withdrawing Council's data and services.

3.2. Work required by the Withdrawing Council to plan for and transition services away from Shared Technology Services to their chosen Replacement Contractor(s).

3.3. The Councils acknowledge and agree that they will co-operate and work together via the Joint Management Board and other liaison and co-operation as

reasonably necessary to facilitate the exit activities and arrangements which need to be undertaken during the Exit Period. In the case of a mutual agreement being reached by the Councils with regard to termination under clause 15 of the Agreement the Councils will each undertake the work referred to in 3.2 above.

4. The work programme will be overseen by the Managing Director of Shared Technology Services and progress will be reported to and overseen by the Joint Management Board.
5. The Managing Director of Shared Technology Services will appoint a Shared Technology Services Exit Manager (SSEM) who will act as the main point of contact for all Shared Technology Services exit related activities (save for any particular matters which the Managing Director of Shared Technology Services may wish to be delegated to others and this shall be notified by the Managing Director of Shared Technology Services if it applies). The SSEM will form a Shared Technology Services exit team and will be able to call on the services of functional experts (e.g. server, infrastructure, desktop etc.) and third party support providers as required in order to create this team and fulfil the obligations under this Exit Management Protocol.
6. In the case of withdrawal by a Council pursuant to clause 14 of the Agreement, the Withdrawing Council will appoint its own Exit Manager (Withdrawing Council Exit Manager - WCEM) who will have overall responsibility for the transition of ICT services to the Withdrawing Council. Part of this role as appropriate may be delegated by the WCEM to the Withdrawing Council's exit team and/or Replacement Contractor(s), with notice and details of such delegation given by the Withdrawing Council to the other Councils and the Managing Director of Shared Technology Services. The WCEM, in accordance with the processes described in this exit management protocol, will allocate mutually agreed work packages to the SSEM who in turn may delegate them to Shared Technology Services exit team for completion.

7. In the case of termination pursuant to clause 15 of the Agreement, each Council shall appoint its own Exit Manager.
8. Exit Managers will be suitably qualified and experienced individuals of sufficient seniority such as to be able to manage and (if necessary) requisition the necessary resource for the purpose of the exit activities.
9. The Councils acknowledge and agree that withdrawal or termination activities during the Exit Period may result in additional costs being incurred, such costs to be met as set out in Schedule 8 (Financial Principles).
10. All Councils and their representatives involved in exit activities will act in good faith and in the spirit of “partnership” to try and ensure the successful migration of services with the minimum of disruption to the end users, the business or the wider customer stakeholders of the Withdrawing Council and Shared Technology Services which may include the provision of reasonable support after the end of the Exit Period as agreed by the Joint Management Board.
11. The Withdrawing Council, or where the Agreement is terminated any Council, can require direct access to any third party support providers which make up the exit team on reasonable notice and for reasonable time periods to be agreed with the third party and approved by the SSEM.
12. In the event of a Council withdrawing or the Agreement being terminated Shared Technology Services will prepare and agree with all Councils an Exit Plan. This will detail the methods, media, actions, responsibilities and timings for the transfer of services, data, assets, documentation, third party support contracts and other resources.
13. The envisaged roles and responsibilities for exit of each party are set out in table 1 below, however these may be amended by agreement depending upon the exact circumstances in which this Schedule is invoked.

Party	Responsibilities
Withdrawing Council and/or Replacement Contractor(s)	<ul style="list-style-type: none"> <li>• Appointment of Exit manager and creation of exit team including technical, procurement, legal, HR(TUPE) and other relevant skill sets and resources.</li> <li>• Council internal governance and reporting, internal Council communications and stakeholder management.</li> <li>• Appointment of the Replacement Contractor(s) and/or Establishment of own ICT Support Service;</li> <li>• Serving of the necessary contractual notices</li> <li>• Overall project management of the migration of services from Shared Technology Services</li> <li>• Implement any new infrastructure and / or systems required in readiness to accept the transferring data, hardware, software and services.</li> <li>• Receive and verify the accuracy and completeness of data transferred to the Withdrawing Council's replacement systems and services.</li> <li>• Approve deletion of Withdrawing Council data from Host Council systems following transfer and verification.</li> </ul>

	<ul style="list-style-type: none"> <li>• Receive the transfer of any third party support contracts, physical assets (hardware and software) and documentation</li> <li>• Specify any additional information required from Shared Technology Services</li> <li>• Responsibility for ensuring the transfer of services in accordance with the Council's requirements</li> <li>• Responsibility for complying with obligations under TUPE.</li> </ul>
<p>Shared Technology Service</p>	<ul style="list-style-type: none"> <li>• To continue to provide the agreed ICT services as set out in the Agreement.</li> <li>• Appointment of Shared Technology Services Exit manager and exit team.</li> <li>• Develop and implement plans to disaggregate Council hardware, software, licences, contracts and services.</li> <li>• Develop and implement any plans required to safeguard the on-going delivery of Shared Technology Services.</li> <li>• Complete agreed work packages agreed with the Withdrawing Council's Exit Manager in accordance with the processes set out within this exit management protocol</li> <li>• Assist with the Councils due diligence activity, ensuring all registers are up to date and maintained.</li> </ul>

	<ul style="list-style-type: none"> <li>• At agreed timings make available the Councils data in a format and method that is acceptable to both Shared Technology Services and the Withdrawing Council.</li> <li>• At agreed timings undertake the transfer of assets (hardware and software), documentation, third party support agreements and other resources identified within this Exit Management Protocol and agreed as part of the process</li> <li>• Provide the agreed resources necessary to fulfil the obligations under this Exit Management Protocol.</li> <li>• Staff resource planning in preparation for TUPE or other arrangements for transfer and transition of Shared Technology Services staff to the Withdrawing Council and/or its Replacement Contractor.</li> <li>• Deletion of Withdrawing Councils data (arrangements and specifics to be discussed and agreed).</li> <li>• Vacate Withdrawing Councils premises (to be arranged for the end of the Exit Period).</li> </ul>
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Table 1

**Asset Lists, Documentation and Resources**

14. Shared Technology Services will use all reasonable endeavours to ensure that asset inventory, service descriptions and documentation as defined in the Service Description and set out in Table 2 below is fully up to date and any other information reasonably requested and available as part of the Councils exit activities is provided to the Withdrawing Council or all Councils where the Agreement is terminated. The information will be supplied in accordance with the timings agreed between the Exit Managers during the execution of this Exit Management Protocol.

<b>Title</b>	<b>Description</b>	<b>Type</b>
Asset Register	<p>Asset number, make, model, serial number, purchase date and if relevant the name of the third party support organisation and agreement number, for every ICT device located within the Council that is within the scope of Shared Technology Services.</p> <p>Asset information on Shared Technology Services assets which the Withdrawing Council has a share in but are not considered within scope for transfer – and the proposed apportioning of buy-out or write-down costs.</p>	Documentation – Table format
Software Inventory	<p>A complete list of the software installed within Shared Technology Services ICT estate with corresponding totals. Fields to include; vendor, product, version, total instances of installations.</p> <p>Specific reference shall be made to the Withdrawing Council's owned software and shared software, the latter to show the</p>	Documentation – Table format



	respective apportionment between Shared Technology Services Authorities.	
List of Software License Agreements as then held by/available to Shared Technology Services	A complete list of the software licensing agreements by vendor. Fields to include; product, version, agreement number, perpetual/rental, site/user/machine, concurrent (or not), type of vendor agreement e.g. select/EA/OEM, quantity of licenses included within agreement for the specific Council/s. All quantities must equal or exceed the totals within the software inventory.	Documentation – Table format
Contracts register	An up to date contracts register and all associated underpinning documents including contracts, schedules, payment profile, etc.	Contracts register in table format or database and documents

<p>List of Third Party Support Agreements as then held by/available to Shared Technology Services</p>	<p>Supplier name, address, account manager, contact details, expiry date, annual cost, early termination provisions, agreement number, scope (e.g. devices, infrastructure), basic SLA details, hours of operation.</p>	<p>Documentation – Table format and documents</p>
<p>List of Administrative Access Permissions and Rights</p>	<p>System or device (e.g. domain, router, switches), category of users (e.g. admin, super, helpdesk), summary of permissions per category, number of users within category.</p> <p>The account credentials for assets which the Replacement Contractor(s) will assume responsibility for will be provided on a date agreed between all parties.</p>	<p>Documentation – Table format or extraction from system.</p>

Copies of Support and Development Processes	Incident management, change management, work request process, device build and image sign off process, leavers process, new user request process, new intake process (creation of accounts, transfer of data from cloud hosted storage services), escalation process.	Documentation - processes
Standards Documentation	Device build standards, application standards, infrastructure standards.	Documentation – Standards sheets
Properties and Facilities	List of Council/s facilities (e.g. server rooms, hub rooms, technicians’ work rooms, storage spaces) that are currently used by Shared Technology Services.	Documentation – Table format
List of human resources	Shared Technology Services will provide Brent’s Provisional Staff List, Staffing Information and Brent’s Final Staff List as defined in Schedule 2 (Employment and Pensions).	Documentation – Table format and related documents

	Brent will assist the Withdrawing Council to identify the resources, roles and skills that are required to support the local devices and Withdrawing Council/s infrastructure as known to Shared Technology Services.	
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**Table 2**

**Treatment of Assets**

15. The Withdrawing Council and the Host Council for Shared Technology Services will review the Asset Register and agree Asset treatment, ensuring that apportionment is fair and equitable and due consideration is given to the ability (or otherwise) to divide Assets into usable constituent parts. Where approval of any Council is required this shall not be unreasonably withheld or delayed.

16. The governing principles for fair and equitable apportionment shall be:-

16.1. Where an Asset is wholly owned by the Withdrawing Council that Asset will be returned to / retained by them.

16.2. Where an Asset is owned by the Host Council and used by the Withdrawing Council, and it can be disaggregated from Shared Technology Services, the Withdrawing Council can request the transfer of the appropriate apportionment of that Asset subject to the agreement of the Host Council and any payment being made in relation to the residual value as set out in the Asset Register or as otherwise agreed by the Councils.

16.3. Where an Asset is owned by the Host Council and used by the Withdrawing Council, where it cannot be disaggregated from Shared Technology Services or where subject to clause 16.2 transfer of the Asset is not agreed, that Asset will be retained by the Host Council.

17. The allocation of Assets to the Withdrawing Council may create a shortfall of resources or licences for the on-going requirements of the remaining Councils and/or the Withdrawing Council. Where a shortfall arises as a result of apportionment the Remaining Councils and the Withdrawing Council shall each separately be responsible for provision and costs to remedy their own shortfall and shall not be liable for any shortfall of another Council.

### **Transfer of Services**

18. Services hosted from Shared Technology Services's retained central data centre will need to be migrated to the Withdrawing Council's facilities during service transition which shall occur before the end of the Exit Period.

19. The specific methods of transfer will be agreed between Shared Technology Services and the Withdrawing Council. The Withdrawing Council has the responsibility and liability for its own new facilities and arrangements and their suitability for and state of readiness to accept a data and service transfer. The Host Council is highly dependent on the Withdrawing Council discharging its responsibilities effectively and on information to be provided from the Withdrawing Council regarding its plans and prospective arrangements for the purpose of transition and transfer of service activities.

20. Explicitly, Shared Technology Services commits to working within the Exit Period with the Withdrawing Council to try to ensure integrated services are separated and made standalone from Shared Technology Services's retained central data centre. The responsibility and liability for ensuring suitable standalone facilities exist is with the Withdrawing Council and any Replacement Contractor/s which it chooses to appoint. The Host Council's costs in supporting the service transition and transfer will be recoverable as detailed in Schedule 8 (Financial Principles). Any support from the Host Council of Shared Technology Services beyond the end of the Exit Period will need to be subject to further agreement between the Withdrawing Council and the Host Council on terms to be mutually agreed in writing.

21. The Withdrawing Council will be responsible for provisioning the relevant platforms to host any transferring services (e.g. virtual server, SAN storage, VDI, email, SharePoint, etc).

### **Transfer of Service Desk Services**

22. Shared Technology Services will agree:

- The switchover date (eg: when users start contacting the Withdrawing Council's replacement service desk) including transferring or diverting the existing Service Desk contact numbers and email addresses.
- How open incidents, problems and service requests are treated.
- Transfer of historical call management system data.
- How Shared Technology Services's Service Desk handles a support request received from a user of the Withdrawing Council after the switch over date.

23. The Withdrawing Council will be responsible for communicating all such changes to their users.

### **Transfer of Data**

24. The Host Council for Shared Technology Services will agree with the Withdrawing Council the methods (media, format, etc.) and timings relating to the transfer of the Withdrawing Council's data. Data includes files on the central data servers, information stored within SharePoint and messages and attachments held within the email systems.

25. Explicitly data held in 3rd party hosted cloud services is considered out of scope.

26. To ensure that the transferred data is accurate and as up to date as possible all parties will likely need to agree a date when the data will be made read only for the duration of the transfer process. The data will then, securely and where necessary utilising data encryption, be transferred to the Withdrawing Council. The

Withdrawing Council will be responsible for:- the import of its data onto the relevant replacement systems; verification of the accuracy of the transferred data and making the data available for access / amendment by their staff as it may wish.

27. The Host Council for Shared Technology Services will work with the Withdrawing Council to assist in the correction of any data errors caused by the Host Council including the re-supply of base data and/or provision of data in other agreed formats. The Host Council does not have responsibility for any acts and omissions of the Withdrawing Council and/or its Replacement Contractor(s) or for the functionality of the arrangements to be put in place by those parties.

28. Shared Technology Services will provide full details of the existing data hierarchy and access permissions associated with it.

29. Backup and archive data will be provided to the Withdrawing Council on withdrawal from Shared Technology Services as part of the exit activities. In addition, backup data will be retained as part of the archives within Shared Technology Services's retained central data centre pursuant to clause 39 and will be made available to the Withdrawing Council on request (e.g. to perform a restore of a document as it was at a specific point in time).

30. Shared Technology Services will be responsible for the secure retention and subsequent deletion of all the Withdrawing Council's data (including backup and archive data) once transferred and receipted by the Withdrawing Council on a date to be agreed by both parties but not more than six (6) months after the Exit Period.

### **Connectivity**

31. Shared Technology Services will work with the relevant internet and data connectivity service providers and the Withdrawing Council to separate the Withdrawing Council's infrastructure and services from Shared Technology Services retained central data centre, infrastructure and services.

32. On withdrawal from Shared Technology Services agreement Shared Technology Services will cease the use of any internet connectivity or data centre connections provided by the Withdrawing Council that it had the benefit of. The Withdrawing Council will need to decide if the internet connectivity or data centre connections are still required and if necessary make alternative funding arrangements.

### **Transfer of email addresses**

33. All parties will need to agree the date when the Withdrawing Council will assume responsibility for its replacement email services. The Withdrawing Council and Shared Technology Services as appropriate will need to instruct the registered Domain hosting provider that from the agreed date all email traffic should be forwarded to the Council/s' email service. The Withdrawing Council will need to ensure that they have the necessary infrastructure in place with the relevant accounts distributed to the end users and this must be done in good time prior to the end of the Exit Period.

### **Transfer of Website**

34. Shared Technology Services will work with the Withdrawing Council to ensure that, the Withdrawing Council's website, DNS records and other means by which internet traffic is directed to the Withdrawing Council's website, which are under the control or management of Shared Technology Services, are migrated in a timely and controlled manner.

### **Staff Resources**

35. Brent as the Host Council for Shared Technology Services employs all Shared Technology Services Staff. As part of exit management planning the Exit Managers and Managing Director of Shared Technology Services will develop and the Joint Management Board shall agree a staff resource plan to be implemented and managed during the Exit Period. The plan will consider and identify the current and future service requirements and related staff resource requirements of the continuing Shared Technology Services and those of the Withdrawing Council and



will where practical allocate staff, this being either to the Host Council for the continuing Shared Technology Services or the Withdrawing Council.

36. The provisions of Schedule 2 (Employment and Pensions) shall apply in respect of the withdrawal of any Council from the Agreement and in the event of the Councils mutually agreeing to terminate the Agreement.

#### **Transfer of third party contracts**

37. Contracts for the purpose of Shared Technology Services that are maintained and administered by Shared Technology Services will, where possible and if practicable, be disaggregated and assigned or novated in whole or in part to the Withdrawing Council subject always to the other contracting party consenting to such disaggregation or other arrangements as mentioned. The Withdrawing Council will also need to ensure that any appointed Replacement Contractor(s) is authorised to liaise directly with the third party.

38. Where a Withdrawing Council is a party to a contract which is utilised by Shared Technology Services, the Withdrawing Council will assist in making provision for the full or partial assignment or novation to Shared Technology Services subject to the consent of the other contracting party.

39. Shared Technology Services will work with the Withdrawing Council and use all reasonable endeavours to ensure that any other contracts identified on the list of third party support agreements that remain in scope at the time of withdrawal from the Agreement / are assigned or novated smoothly and successfully.

40. Where the Withdrawing Council wishes to retain the services of Shared Technology Services's subcontractors then Shared Technology Services will facilitate an introduction between the Council and the subcontractor so that negotiations can take place.

#### **Notice of third party systems hosted on network**

41. Shared Technology Services will supply details of any third party systems hosted on or interfaced to the Withdrawing Council's local network.
42. Examples of potential systems include payment collection systems, library management systems, guest WIFI access systems, Access Control, CCTV, BMS, etc.
43. The details to be provided include; third party contact details, access requirements and protocols, purpose of system and interface, roles and responsibilities, any associated interface agreements and details of the relevant technical configuration to the extent such details are available to Shared Technology Services.
44. Shared Technology Services will work with the Withdrawing Council to facilitate the smooth transition of these hosted and interfaced systems. Where the consent of a third party licensor/supplier is required for transfer of systems, software, technology or related services or materials the obligations on Shared Technology Services to effect a transfer are accepted to be subject to this and Shared Technology Services will not be responsible for any third party delay or third party lack of support.

### **Access Arrangements**

45. It is envisaged that the Withdrawing Council may require access to Shared Technology Services's retained central data centre. Shared Technology Services will facilitate reasonable access to these facilities but may require this to be agreed in advance and as part of the overall service exit and data migration programme. Access to local hardware and devices for viewing can be agreed as part of the agreement to have access to the Withdrawing Council's buildings and sites, however, access to the devices for configuration changes etc. will need to be agreed with Shared Technology Services and its ICT third party suppliers where appropriate.
46. Access to the Withdrawing Council's sites and buildings will need to be agreed directly with the Withdrawing Council. However, where access to local server, hub and technician rooms under the control of Shared Technology Services is required

this will need to be agreed with Shared Technology Services and its ICT third party suppliers where appropriate. Note the Host Council must be given requisite access for the purpose of undertaking its work in assisting the Withdrawing Council and it will not be responsible for any failure to give access or restriction preventing progress in any transition or exit activities during the Exit Period or in any agreed period thereafter.

47. Up until the point of transfer electronic access to systems and devices by the Withdrawing Council will be controlled and monitored by Shared Technology Services. The Withdrawing Council will need to formally request the type, times and level of access required. Shared Technology Services will consider the request and if appropriate create and issue the relevant account credentials, such access requests not to be unreasonably withheld.
48. The transition and handover activities will take place in the Exit Period between service of withdrawal notice under clause 14 of the Agreement and the agreed withdrawal or termination date (in the case of mutual agreement under clause 15 of the Agreement).
49. Activities will be timed to occur as mutually agreed between Shared Technology Services and the Withdrawing Council. If prior to end of the Exit Period the Withdrawing Council identifies a requirement for support beyond the end of the Exit Period, this will be subject to negotiation and further agreement between the Host Council and the Withdrawing Council as may be necessary at the time.
50. Shared Technology Services will make appropriate arrangements to vacate the Withdrawing Council's premises including the removal of retained Shared Technology Services equipment and services within ninety (90) days of the end of the Exit Period unless agreed otherwise.

### **Intellectual Property Rights (IPR)**

51. The inventory of Intellectual Property and associated ownership and rights of use will be updated and agreed.

### **Process for identification and appointment of an exit team**

52. Shared Technology Services and each exiting Council using their own discretion will appoint an Exit Manager and representatives to their Exit team. Each exiting Council and Shared Technology Services may challenge each other's appointment of a specific individual. In this event the appointing party must be able to demonstrate that the appointed individual has the capabilities to fulfil the roles and responsibilities identified within this Schedule. If the challenging party remains unsatisfied and the appointing party are unable or unwilling to appoint a replacement then either party may refer the matter to the Dispute Resolution Procedure.

### **Disclosure plan for documentation and information**

53. Within three months of the start of the Exit Period Shared Technology Services will make the information identified in clause 14 of this Schedule available to the Withdrawing Council. Shared Technology Services will, if requested, assist the Withdrawing Council to procure the services of an ICT services provider by supplying information as may be required for a procurement and providing responses to supplier clarification questions which fall within the scope of the services provided by Shared Technology Services subject always to the requirement that the full cost of providing such assistance shall be charged to and paid by the Withdrawing Council and the Host Council shall not be expected to contribute to the cost.

54. The Withdrawing Council will sign off on the completion of Shared Technology Services's related activities that will have been agreed between all parties at the start of the exit arrangements.

55. The Council/s will not unreasonably refuse or delay the signing-off of the relevant Shared Technology Service's-related activities.

### **Costs**

56. Costs arising from a Council withdrawing from the Agreement are detailed within Schedule 8 (Financial Principles) and Schedule 2 (Employment and Pensions) in relation to staffing responsibilities and costs; as well as related provisions in this schedule and the Agreement. It is agreed between the Councils that in principle the Council which chooses to withdraw shall bear the costs of the withdrawal as identified in Schedule 8 (Financial Principles).

57. Where there is mutual agreement between the three Councils to terminate the Agreement the principles in Schedule 8 (Financial Principles) and Schedule 2 (Employment and Pensions) in relation to staffing responsibilities and costs; as well as related provisions in this schedule and the Agreement shall apply as between all three Councils.

### **Scenarios**

58. There are a number of ways in which withdrawal or termination of the Agreement could arise for one or more Councils. It is not feasible to cater for every eventuality so to aid future interpretation of the exit provisions envisaged arising from the Agreement the following scenarios are provided.

*S1 All Councils in Shared Technology Services share a perimeter Internet gateway. The gateway has an unlimited user licence and was purchased as a capital asset by the Host Council – an annual support cost being recharged to Lewisham and Southwark.*

- The Withdrawing Council shall be responsible for the provisioning and cost of a replacement external Internet gateway.*
- The Withdrawing Council shall be expected to pay committed maintenance fees during the Exit Period.*
- The Host Council retain ownership of the asset and bear any cost arising from the future depreciation of the capital expenditure not being fully compensated for.*

S2 *All Councils in Shared Technology Services share a perimeter Internet gateway. The gateway has a 10,000 user licence and was paid for jointly by all three Councils. The annual support cost is recharged to Brent, Lewisham and Southwark in proportions set out in Schedule 8.*

- *The Withdrawing Council would receive the user licences owned by them as recorded in the Asset Register.*
- *Any licence shortfall would be the responsibility of the Withdrawing Council and the Remaining Councils to address respectively based on their own future requirements.*
- *The Withdrawing Council would be responsible for provisioning and costs of a replacement external Internet gateway, onto which it could transfer its licences.*
- *The Withdrawing Council would be expected to pay committed maintenance fees during the Exit Period.*

S3 *A software licence is due for renewal three months prior to the exit date. The service is required by all Councils and must be maintained. Post exit, Shared Technology Services will continue to use the software however the Withdrawing Council will use a different product. There are two renewal options, a one year renewal or a three year renewal at a discounted price.*

- *The Withdrawing Council will decide which renewal option best suits itself (we shall assume that 12 months is cheapest) and will commit to that cost. Shared Technology Services will decide which option best suits itself (this might be the 3-year option even taking into account that the Withdrawing Council is exiting) and will renew on that basis. Any difference between the Withdrawing Council's funding (for 1-year) and the contract cost (for 3-years) shall be met by the Remaining Councils.*

- *Where it is practical to disaggregate the licence the Withdrawing Council shall be entitled to request a proportion of the licence.*

*S4 The Host Council procures a new storage device at a cost of £1,000,000 using capital funds. The capital cost of the device including any additional maintenance, 3<sup>rd</sup> party support or licences is calculated, apportioned and recharged to the three Councils using the appropriate metric as set out in Schedule 8, with payment spread over 5 years. One year later Lewisham gives notice to withdraw.*

- *Lewisham will continue to pay scheduled payments for the agreed Exit Period (default 2 years) plus to the end of the financial year in which exit occurs. See schedules for details of this.*
- *At the point of exit there will still be circa 2 years of the capital payment period remaining which Lewisham shall not be liable for.*
- *The Host Council will review and agree with the other remaining Council whether there is to be any change to the asset/service recharge to reflect the loss of planned income from Lewisham.*
- *Where the asset can be disaggregated the option exists for the Host Council to offer, or the Withdrawing Council to request, transfer of an appropriate portion of the asset to the Withdrawing Council at a price to be agreed by the three councils.*