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<b>Report To:</b>	<b>Inverclyde Council</b>	<b>Date:</b>	<b>29.11.12</b>
<b>Report By:</b>	<b>Chief Executive</b>	<b>Report No:</b>	<b>CE009/12/JWM/GM</b>
<b>Contact Officer:</b>	<b>Gerard Malone</b>	<b>Contact No:</b>	<b>712710</b>
<b>Subject:</b>	<b>Clyde Valley Shared Services Review: Progress and Shared ICT Infrastructure/Services Project.</b>		

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## 1.0 PURPOSE

- 1.1 This report updates the Council on the present position of the Clyde Valley Review of Shared Services and seeks approval of the development of a shared project in respect of ICT services.

## 2.0 SUMMARY

- 2.1 The Council, along with the other local authorities in the Clyde Valley, have considered shared service arrangements for the four work streams Health and Social Care, Social Transport, Waste Management and Support Services. This report details the outcomes for these four work streams.
- 2.2 As part of the Support Services work stream, itself, the Council confirmed that, in principle, in order to improve business resilience and address future financial pressures the sharing of certain Council services is an option which requires serious consideration. Four of the Clyde Valley local authorities, including Inverclyde, have since December 2011 re-scoped the Support Services project to ensure financial benefits could be delivered with the participation of these partners.
- 2.3 The present proposal involves a shared project for ICT Services and does not include support services from Human Resources, Finance or Revenues & Benefits which will not be pursued at this time.
- 2.4 This report provides an update on aspects of the Council's Transformation Programme and builds upon its December 2011 decisions in respect of the former Operating Model and the Civica report all as detailed, below.

## 3.0 RECOMMENDATION

- 3.1 It is recommended that the Council:-
- i) notes the present position of the Clyde Valley Review of Shared Services;
  - ii) considers the proposal in respect of sharing of ICT infrastructure/services amongst the four participating Councils;
  - iii) approves participation in the development of the ICT shared service as set out in Section 7 of this report and delegates authority to the Chief Executive to spend up to £100,000 from the 2012/13 Contingency as this Council's contribution towards the project subject to the Chief Executive being satisfied that the ongoing business case justifies the investment;
  - iv) remits it to the Chief Executive to report back to the Policy & Resources Committee throughout the ICT project development;
  - v) notes the Council's ongoing work in respect of future Shared Services in participation with other Councils;
  - vi) approves the governance structure as set out in Appendix 3 for the progress and monitoring of the Council's Strategic Corporate Programmes; and,
  - vii) notes the finalisation of the Operating Model with the delivery of its recurring savings and

the closure of the Transformation Board.

**John W Mundell**  
**Chief Executive**

## 4.0 BACKGROUND

- 4.1 This section notes as background the relevant, detailed reports which have already been made to the Council on its Transformation Programme and on the Clyde Valley Shared Service review.

### Transformation Programme

- 4.2 In respect of the overall position, at its meeting in December 2011, the Council considered two detailed reports on the Operating Model Review and on the review by Civica. Those reports detailed the issues associated with the Operating Model project and made recommendations on the most appropriate way forward for the Council to progress the modernisation of relevant service areas.
- 4.3 The Civica report was a key component in the review of the Operating Model, it being an independent assessment of ICT infrastructure and various existing processes, with its purpose being to identify future possible efficiencies and the best use of the remaining Modernisation earmarked reserves.
- 4.4 The decisions of the Council on 15 December 2011 noted the successful parts of Operating Model were scheduled to deliver recurring savings of £1.257 m per annum; that despite difficulties with the delivery of the Operating Model, the overall recurring workstream savings target for the Council will be fully delivered as expected by no later than April 2014; and, that the development of the Operating Model Project be suspended until the outcome of the Clyde Valley Shared Services Project is known and, in parallel, detailed and careful consideration of the findings of the Civica report can be undertaken during 2012/2013.
- 4.5 In the report to the December 2011 meeting, there was reference to the governance arrangements put in place as from 2010 to oversee the Operating Model. These arrangements involved various groups and the report reflected the wish to streamline the number of meetings for Officers and Members and specified the over-arching remit of the Corporate Management Team. Given the 2011 decision on the suspension of the Operating Model project and the progress made to this present report, it is concluded that the formal arrangements for the Transformation Board (involving relevant officers and Trades Unions representatives) can be terminated as from 2013 and the ongoing remit for the rest of the Transformation Programme can be satisfactorily included within Corporate Management Team responsibilities.
- 4.6 The detailed arrangements to simplify governance structures require a focus on the Council's four Strategic Corporate Programmes: Modernisation; Asset Management; Budget; and, Performance. Each of these Programmes oversees specific workstreams or projects and each Corporate Improvement Group will be chaired by a Corporate Director who will report directly to the Corporate Management Team on a regular basis. **Appendix 3** shows the governance structure and key issues for each Programme
- 4.7 The current position in respect of the Operating Model savings is that a small balance of savings remains to be implemented and these relate to the extra 10% savings within Finance and OD, HR and Communications agreed by the Policy & Resources Committee in November 2011. All these will be delivered by April 2013 and a small over recovery of £6000 is expected bringing the total net savings to £1.263million. The potential savings opportunities identified by Civica have been considered by the Corporate Management Team and will be incorporated where appropriate within the overall 2013/16 budget proposals

### Clyde Valley Community Planning Partnership Shared Services

- 4.8 In respect of the progress of shared Support Services, a report on the review of Clyde Valley Shared Support Services proposals was considered by the Council at its meeting on 29 September 2011. At that time, the Council considered a detailed report on the up to date position on the investment, benefits, risks and staffing implications for a shared support service with seven of the Clyde Valley Councils. It was decided at the September 2011 meeting to note the position and to remit it to the Chief Executive to submit a report to a future meeting of the

Council with revised detailed proposals for sharing support services.

- 4.9 The Council, at that time, underlined certain fundamental principles involved in any participation in the future development of revised shared support service options involving (a) governance arrangements (b) revised business case and resource requirements and (c) an equality impact assessment. The Council confirmed that in principle in order to improve business resilience and address future financial pressures the sharing of certain Council services is an option which requires serious future consideration.

### **Existing Shared Services and Partnerships**

- 4.10 As general background, Inverclyde Council in common with other authorities has already actively sought and engaged in shared services and partnerships that improve services, make business sense, deliver efficiencies and increase its resilience and flexibility. Current examples of effective shared services are as follows:

- Inverclyde's Community Health and Care Partnership.
- Together with Renfrewshire and East Renfrewshire Councils, the first shared Civil Contingencies Service in Scotland.
- Scotland Excel.
- The Clyde Valley Learning & Development Project.
- SEEMIS - Scotland's pre-eminent Education Management Information System for local authorities with membership of 28 of the 32 Local Councils in Scotland.
- SSERC - the Scottish Local Authority science and technology education shared service that has been providing specialist health and safety advice to schools owned by all 32 Scottish Local Authorities.

- 4.11 With the above background and the specified Council decisions in mind, this report provides a detailed update to the Council on the current position of Clyde Valley Shared Services, in general, and proposes the development of a shared project with four participating Councils in respect of ICT Services.

## **5.0 CLYDE VALLEY COMMUNITY PLANNING PARTNERSHIP SHARED SERVICES - PRESENT POSITION**

- 5.1 This section gives an update on each of the four workstreams identified for the Clyde Valley review.

In March 2009 the Leaders of the eight Clyde Valley Councils decided to explore opportunities for closer joint working and shared services. On 15 January 2010 Leaders and Chief Executives agreed that four work streams should be prioritised: commissioning of health and social care services; social transport; waste management; and, support services

### **5.2 Health & Social Care**

- 5.3 The Clyde Valley Health and Social Care collaborative was established in February 2010 to enhance joint working arrangements between local health and social care services. The work stream is led by the Chief Executive of Renfrewshire Council and is comprised of Directors or Chief Social Work Officers from all Clyde Valley local authority social work services, senior leaders from the two health boards, as well as representatives from the Joint Improvement Team and Scotland Excel.

- 5.4 The objective is to support the Clyde Valley local authorities and health boards to develop and commission services on a joint basis. An outline business case was developed during 2010 which identified a number of initial areas to be investigated further for collaborative opportunities. These include child care services; adult care services; shared training and development opportunities; and telecare and telehealth initiatives.

- 5.5 Three potential workstreams are currently under consideration:

- i) **Self Directed Support** - The collaborative commissioned Scotland Excel to produce a discussion paper on Self Directed Support. This has been completed and outlines opportunities for collaboration in respect of SDS. The Partnership is currently considering options and will decide if they wish to progress with any of the proposals.
- ii) **Adult Care Services** - The Partnership is currently consulting with Providers to collate proposals from the market for collaborative working/shared service provision. This is work in progress. Inverclyde Community Health and Care Partnership is participating in a joint tender process with Renfrewshire Council for telehealthcare services.
- iii) **Children's Services** – Both Inverclyde and Renfrewshire Councils are partners in the national framework agreements for children's services procured by Scotland Excel for Secure Care; Foster Care and Children's Residential Services (the latter two are still in development).

## **Social Transport**

- 5.6 The Social Transport work stream, led by Glasgow City Council, sought to identify potential savings through the sharing, routing and deployment of resources for social transport, such as school buses and day care transport etc. Working with Strathclyde Partnership for Transport (SPT) the group concluded that there could be major savings made through scheduling improvements to social transport buses. However, the savings relied upon the removal of either the school bus fleet or the CHCP fleet, and the staggering of opening and closing hours at either Education Day Care Centres or CHCP Day Care Centres.
- 5.7 This has been considered and has been found to be impractical and inoperable by the services concerned, particularly with the impending changes to the provision of services (including transport) as a consequence of Self Directed Support. The last meeting of the work stream group was in March 2012. SPT have produced individual reports for each of the Councils who formed the original project review group. Inverclyde Council is currently progressing this work directly with SPT on a local basis only added to which officers are developing other proposals to deliver efficiencies within the Council's transport function.

## **Waste Management**

- 5.8 This position was reported to the Council in detail on 23 February 2012 and it was noted by the Council that an analysis by officers corporately had concluded that the business case for the Council to continue its participation in the shared service scheme for waste treatment and disposal was not sufficiently strong and did not provide Inverclyde Council a "Best Value" solution. Accordingly, this Council's involvement in the proposal ceased.
- 5.9 Elsewhere, an Inter Authority Agreement amongst East Renfrewshire, North Lanarkshire, Renfrewshire and East Dunbartonshire Councils is being developed to procure a long term waste solution for those participants and technical, legal and financial advisors have now been appointed by those Councils and they expect to issue a contract notice in December 2012 which will begin a large scale and complex procurement, consultation, planning and construction process that is hoped will see services commence in 2019. It is understood that North Ayrshire Council has recently agreed to join that partnership.

## **Support Services**

- 5.10 In January 2010 Leaders agreed that East Renfrewshire would lead the Support Services work stream, supported by Inverclyde Council. An Outline Business Case was developed and put before the Clyde Valley Leaders at their meeting on 26 November 2010 and seven of the eight local authorities gave in-principle support to sharing support services. On 10 February 2011 East Renfrewshire Council agreed to lead the development of a Detailed Business Case. The Detailed Business Case was completed and discussed by Leaders at their meeting on 17 June 2011.
- 5.11 The Detailed Business Case (DBC) was based on seven Councils sharing and its financial

underpinnings were subject to extensive scrutiny. It demonstrated that a business case exists for sharing the support services of Finance, Payroll, Revenues & Benefits, Human Resources and IT across the Clyde Valley on a phased basis. The DBC also suggested creating a public-public arms length organisation for taking the shared service forward. It highlighted both the financial and service-related risks and benefits of sharing as well as demonstrating the complexity of bringing multiple organisations systems and processes together.

- 5.12 Four of the Councils: East Renfrewshire, Inverclyde, Renfrewshire and North Lanarkshire, agreed to move forward on this basis. Since December 2011, the four councils have worked together and re-scoped the Shared Services project to ensure financial benefits could be delivered with a smaller number of partners. This has included working to assess the impact of the introduction of Welfare Reform, its impact on Revenues & Benefits services and the impact of the National ICT Strategy for Scotland.
- 5.13 Whilst the business plan was successfully rescope, the Chief Executives of the four Councils have concluded that given the uncertainty around the impact of Welfare Reform, the immediate budget challenges facing individual Councils arising from the national economic position and the priority that needs to be given to in-house transformation projects; the establishing of a public-public company and the transfer of services in the immediate future may not be the best option. However the shared services vision remains on the table and the business case stands. The four Chief Executives have worked collaboratively to re-think how support services are delivered and have set out proposals for laying the important foundations for the future.
- 5.14 Part of the background to the new proposal is that the Scottish Government commissioned John McClelland CBE to provide a report on: the strategic management of ICT investment in the Scottish public sector; achieving better value for money from that investment; and, on using ICT to support and drive multi agency working and more effective sharing of services. The review concluded that public services need to reduce fragmentation and duplication of ICT services. It found that there is significant scope to reduce ICT costs by improving procurement and engagement with external suppliers and by sharing and integrating our ICT requirements and support.
- 5.15 Local Government has responded positively to the report and in September COSLA approved an ICT strategy for Local Government focusing on getting more services on line, reducing costs and enabling public sector reform. The principles behind the strategy are about sharing and reusing ICT assets.

## **6.0 SHARED ICT PROJECT : PROPOSAL**

- 6.1 This section outlines the proposal for the shared ICT project.
- 6.2 Following the series of meetings to discuss the support services project, the four Chief Executives of East Renfrewshire, Inverclyde, Renfrewshire and North Lanarkshire Councils have identified an approach that focuses initially on the sharing of ICT services. The strategic background and details of the project proposal are set out in **Appendix 1** (which is taken from a project description originally drafted by East Renfrewshire Council). This proposal builds on the recommendations of the McClelland report on national ICT infrastructure. It is also in line with the Local Government ICT strategy and is consistent with best practice for laying the critical foundations for effective sharing across Local Government.
- 6.3 Subject to formal Council approval, the four Councils propose to progress with the identification of a joint Project Lead, probably from a private sector partner, to lead for a period of 2 years the project to develop shared arrangements for the delivery of aspects of ICT. The Project Lead will have responsibility for identifying and implementing business opportunities to improve ICT services in the four participating Councils. These business opportunities will take forward the National ICT Strategy and will focus on sharing infrastructure, procurement thereby reducing costs, putting more services on-line and enabling Public Sector Reform.
- 6.4 The nature of ICT is such that, in order to access the specialist skills and expertise required for a project of this nature, going out to the market to secure a private sector delivery partner is the

best option. It provides an opportunity for Council ICT staff to be exposed to and develop their skills in line with current leading practice; there is also the potential to utilise graduate interns within the project to help provide opportunities for talented young people from within the communities we serve. Taking this approach enables the partner Councils to build fixed costs and benefits into the contract.

- 6.5 The project will be led by East Renfrewshire Council and the Project Team will be based in East Renfrewshire. The Project Lead will identify the best long term solution for the sharing of ICT services across the participating Councils. There are no plans for Council ICT staff to change employer. This is to allow the Project Lead to make immediate progress on identifying and implementing joint working, process and service improvement and cost savings. Currently, ICT is engaged in a wide range of activities, pilots and projects in support of Council priorities and releasing resources from these will require careful consideration by officers as the plan develops. The Council recognises that there may be some impact on currently agreed work plans, due to potential resourcing requirements of the project: if the Project Lead identifies a number of initiatives – ‘easy wins’ – then resources will be required to deliver these.
- 6.6 Elected Members from participating Councils will review progress every 6 months as part of the Clyde Valley Leaders and Chief Executives meeting; Chief Executives and Finance Directors will form a Board which will meet every 3 months to provide strategic leadership and approve the business plan; and a Programme Board will meet monthly chaired by a Chief Executive with one Finance Director (not from the same Council), the Project Lead and all the ICT Managers/Heads of Service of ICT from participating Councils.
- 6.7 This approach to shared services will help protect essential frontline services and jobs by either generating savings or reducing future investment requirements and enabling further opportunities for collaboration. It will remove any short-term uncertainty for staff in support services, help identify and deliver efficiencies and savings and give the four Councils a platform to build from for the future.
- 6.8 The project proposal has been considered and agreed at the Corporate Management Team and **Appendix 2** gives a high level summary of the working principles involved in the project and these have also been endorsed by each of the Council Leaders.

**7.0 OTHER SHARED SERVICE OPTIONS**

- 7.1 Officers from Inverclyde, Renfrewshire and East Renfrewshire Councils are continuing to explore other shared service options and, for example, informal discussions have been taking place relative to key service areas within the Roads and Transportation Service and, if appropriate, further reports on these options will be brought to Committee in due course.
- 7.2 Detailed Shared Service Options will be developed via a saving workstream, subject to Council approval, as part of the Council’s 2013/16 Budget process.

**8.0 IMPLICATIONS**

- 8.1 Legal: The Head of Legal and Democratic Services has been consulted and there are no known legal implications.
- 8.2 Finance:

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Miscellaneous	Contingency	2013/15	£100k		Councils maximum share of the 2 year costs

## Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
n/a	n/a	n/a	n/a		Savings to be identified per Project development

- 8.3 The Chief Financial Officer comments that following years of reductions in Council Service budgets, efficiencies from the economies of scale generated by sharing services has the potential to protect front line service delivery whilst staying within the reducing funding envelope. These proposals do require time and resources to develop and deliver and as such the Council's approach to forward financial planning and the one off use of the Contingency to fund project development remains the recommended course of action.
- 8.4 The development of shared ICT infrastructure may not deliver large savings in itself to the Council given the current level of ICT spend however shared ICT infrastructure will help reduce future ICT infrastructure investment, provide improved resilience and facilitate the development of future shared working opportunities.
- 8.5 Human Resources: The Head of OD, HR and Communications has been consulted and any implications will be reported in detail when the proposals have been developed further and there will be full consultation with the Trades Unions.
- 8.6 ICT: The Head of ICT (Transitional) has been consulted and advises that the strategic aims of the shared ICT infrastructure proposal are consistent with the aims of the National ICT Strategy and that the Council should note that the implementation of SWAN and its timing will have a major impact on the success of the project.
- 8.7 Equalities: This project is relative to the Council's Transformation Programme. There are no equalities implications identified as yet. The future development of Shared Support Services options will involve a review of governance arrangements and an equality impact assessment.
- 8.8 Repopulation: There are no repopulation implications identified.

## 9.0 CONCLUSIONS

- 9.1 The outcomes for the overall Clyde Valley Shared Services Review are as detailed above. The issues on the sharing of relevant services can be measured against the principles of improving business resilience and addressing future financial pressures. The sharing of certain Council services is an option which merits serious consideration.
- 9.2 The shared ICT project has been re-scoped for the participation of four Councils and financial and resilience benefits can be identified. The present proposal involves the development of this shared project through the appointment of a Project Director for a period of two years with authority, in terms of the governance arrangements, above, to identify opportunities and to mandate actions. The objective of the appointment is to develop a plan for future ICT sharing amongst the four Councils and progress will be reviewed by Leaders on a six monthly basis with the board of Chief Executives and Finance Officers meeting three monthly. Within that remit the Project Lead will focus on identifying and implementing early wins and have responsibility for identifying and implementing business opportunities to improve ICT services in the participating councils
- 9.3 Reports on the developing plan will be submitted to the Policy & Resources Committee for consideration in due course.

## 10.0 LIST OF BACKGROUND PAPERS

- 10.1 CE004/11/JWM – Clyde Valley Partnership Shared Support Services – Detailed Business Case:



29/09/11

- 10.2 CE002/11/JWM/IM – Clyde Valley Progress on Waste Treatment and Disposal Business Case
- 10.3 CE003/11/JWM - Operating Model Review: 15/12/11
- 10.4 CE008/11/JWM – Report Relating to Review by Civica: 15/12/11

## SHARING ICT SERVICES

### **BACKGROUND**

In the proposal for a full shared service for support functions, ICT played a crucial role. Whilst other functions could have joined in phases, it was clear that all of the ICT function should be part of the shared services in the first phase. This was primarily because ICT was seen as essential catalyst for sharing. The reason for this is that common ICT systems make sharing possible and a secure telecoms network is required to share data across councils.

Sharing ICT service can lead, in and of itself, to significantly reduced costs e.g., in procurement and supplier management. The business case indicated that the ICT element of the shared support service could be expected to generate savings of £2.1m per annum after 2 years and £5.2m per annum after 5 years against a baseline spend of £21m.

### **NATIONAL ICT STRATEGY**

During the development of the Clyde Valley Shared Support Services proposal, the Cabinet Secretary for Finance, Employment and Sustainable Growth asked John McClelland to carry out a review of Public Sector Digital Infrastructure. His report concluded that significant savings could be made sharing ICT resources across the public sector. The McClelland Report has led to a National Public Sector ICT strategy and a Local Government ICT Strategy. The Chief Executive of East Renfrewshire Council chaired the Board which developed the Local Government Strategy and is also one of the local government representatives on the National Board. Both strategies have actions which could affect the Clyde Valley Shared Service proposal. For example:

### NATIONAL STRATEGY - TELECOMMUNICATIONS NETWORK (SWAN)

The procurement of a Public Sector Telecommunications Network is now being progressed across the public sector. A similar project was undertaken in Wales a number of years ago and has been very successful in generating savings by reducing the duplication of telecommunications infrastructure across Wales. In Scotland, the NHS is taking the lead on behalf of the public sector and the network should be in place by 2015.

The telecommunication network will provide a secure network for all public sector partners to share data and services. For example, if a council in the north of Scotland had an ICT application that East Renfrewshire wanted to access, this network would make this type of long-distance sharing possible. This means that the geographical location of a partner will be less of an obstacle to sharing in the future.

In the Clyde Valley shared support service, investment in a 4 council telecommunications network was assumed. Given the national developments, it would not be best value to progress a Clyde Valley Partnership telecommunications solution which would only cover the participating councils. The national solution should be more cost effective and allow more sharing of data across the public sector. (This is particularly crucial for health and social care integration).

## LOCAL GOVERNMENT STRATEGY

The Local Government Strategy has a number of practical actions to be progressed over the next few years.

- New requirements for ICT applications will be identified and sourced nationally through Scotland Excel.
- Councils could consider sharing the hosting of existing “legacy systems” and new systems where possible and consolidate the number of expensive data centres.
- Development projects such as for mobile working, where staff can use a mobile device in a service user’s home to provide a better service, could be developed on behalf of a number of councils.

For the Clyde Valley Partnership, this means that there may be much greater opportunities for financial benefits by considering sharing across a wider group of councils than the 4 presently involved.

## **PROPOSAL**

Officers from the 4 Clyde Valley Councils of Renfrewshire, North Lanarkshire, Inverclyde and East Renfrewshire have considered the best way to make financial savings from the sharing of services in light of:

- the renewed business case for the 4 councils which showed a strong case for sharing;
- the investment cost and risk of such a service;
- the ongoing financial pressure on councils;
- the significant changes to Welfare Reform which would make the inclusion of the Benefits Service challenging; and
- the new Local Government ICT strategy

The proposal is that the 4 councils share ICT services as soon as possible, building on the work of the business case for the shared support service and the most recent work on the Local Government Strategy. The initial work will be about identifying and implementing cost savings from joint procurement, contract management, joint project management and the sharing of specialist skills. This work would be done in close association with the rest of local government and opportunities will not be restricted to the participating councils.

To ensure that this sharing of services moves at pace, a Project Lead will be appointed to lead and coordinate the sharing of services for a period of up to 2 years. In addition the project may require access to additional specialist support in areas such as procurement. The Project Lead will focus on identifying and implementing early wins and have responsibility for identifying and implementing business opportunities to improve ICT services in the participating councils. These business opportunities will be taken forward within the framework of National ICT Strategy and will focus on reducing costs, putting more services on-line and enabling Public Sector Reform. It is expected that current ICT staff will remain employed by their own council.

Prior to the end of the 2 year time period, the Project Lead will bring forward proposals for the best way to take sharing forward. This could include the appointment of a permanent Project Lead and continuation of the pilot; formal sharing across all or a subset of the councils, or they may conclude that sharing in a national context will have most benefit in the long term.

Given the present high levels of graduate unemployment, the project will seek to identify if there is scope to utilise Graduate Interns, providing them with valuable work experience. This will be in line with the present agreement with unions on the use of Interns.

A number of options for identifying a Project Lead have been considered. The preferred option is a partnership with a private sector company. Local government have always delivered ICT in partnership with specialist private sector contractors and applications providers. The use of such a partnership would allow access to up to date technology knowledge as we know that ICT is changing rapidly. It would also mean limited disruption to the existing ICT teams allowing them to focus on implementing the projects identified.

Additional financial benefits may be gained from other Councils joining the partnership and discussions are ongoing with a number of Councils who may consider involvement.

## **FINANCE**

Over a period of 2 years, a budget of up to £100k per council will be required. This figure is based on a "spend to save" proposal in which the savings should outweigh the costs significantly. Tight control of costs will be maintained at all times to ensure savings outweigh costs and a number of breakpoints will be put in the contract, if savings are not being achieved. This figure does not include any costs that individual councils may incur in implementing savings proposals, such as voluntary redundancy payments.

Savings are difficult to quantify until the first phase of the work is complete and the specific cost savings proposals identified and agreed by each Council. To give some sense of scale, the business case for a 4 Council Clyde Valley shared service demonstrated the potential to save £2.1m gross per annum in ICT costs by year 2. The Clyde Valley business case only reviewed revenue budget savings as additional savings may be achieved by reviewing capital spend as well.

## **EMPLOYEE IMPLICATIONS**

Employees employment status will not change as a result of a shared service and they will remain with their current employer on their existing terms and conditions of employment. To ensure that the project is implemented and fully operational employees may require working on cross council project teams or even delivering services for another council. Senior employees will require working closely with the Project Lead and may have a matrix reporting relationship with the project Lead or a project manager in another Council in respect of any project working but their existing line manager responsibility will remain with the employing Council. The trades unions will be engaged fully in consultation before any plans are implemented.

If in the development of projects, efficiency savings are achieved through employee reduction, it will be for each council to implement any savings attributed to them. Again the release or redeployment of employees will be managed by each Council who will apply their local severance or redeployment arrangements. Full consultation with the appropriate trades unions will be undertaken if employee reduction is necessary.

## **LEADERSHIP**

This project will need real drive and leadership from the Chief Executives to achieve the benefits. All have committed to this (if the project is approved by their council) and to supporting the implementation of projects identified in their council.

## **GOVERNANCE**

Elected members from participating Councils will review progress every 6 months as part of the Clyde Valley Leaders and Chief Executives meeting; Chief Executives and Finance Directors will form a Board which will meet every 3 months to provide strategic leadership and approve the business plan; and a Programme Board will meet monthly chaired by the Chief Executive of East Renfrewshire Council with one Finance Director (not from the same council), the Project Lead and the ICT Managers/Heads of Service of ICT from participating councils.

Sharing ICT Services  
High Level Proposition

Rationale

- Build on good work undertaken as part of CVSSS.
- We all have the same basic ICT needs.
- Significant duplication of costs, expertise.
- Will improve resilience and deliver procurement savings.
- Conduit to developing shared systems/processes and potential savings
- Meets Government agenda on “One ICT Infrastructure”.
- Derived from Clyde Valley Shared Support Services
- Narrower focus has higher chance of success.

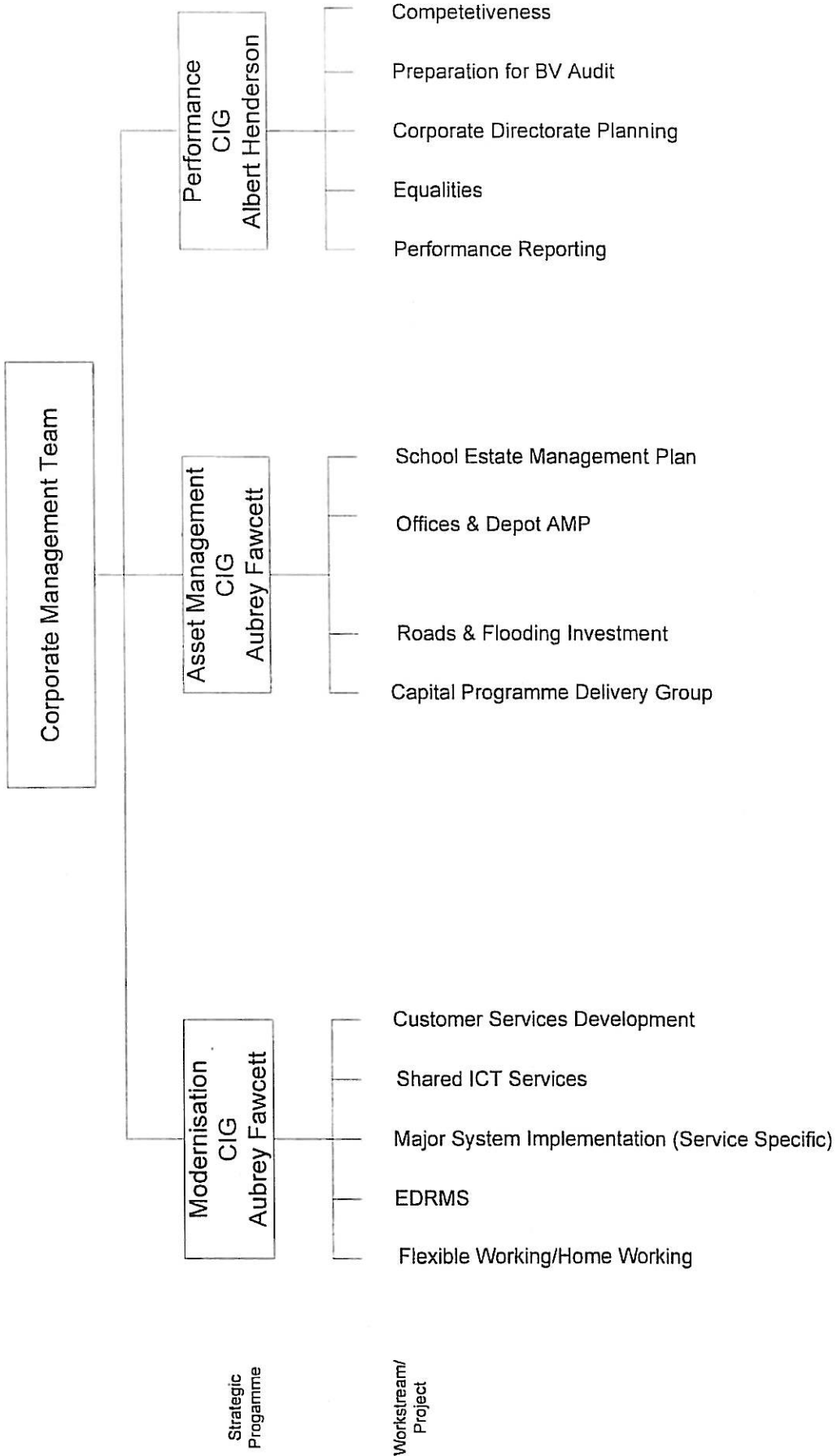
Proposal

- Appoint Project Director from Private Sector with proven record.
- Appoint for 2 years with authority to mandate actions.
- Currently 4 Councils.
- Project Director to - Identify Opportunities.
  - Implement Opportunities.
  - Develop Plan for Future ICT Sharing.
- Governance
  - Clyde Valley Leaders (6 monthly).
  - Board of Chief Executives & S95 Officers (3 monthly).
  - Project Team 1 x Chief Executive, 1 x S95 Officer and Heads of ICT. (meet monthly).

Funding

- Estimated one off cost up to total of £400k (i.e. up to £100k/Council).
- Internal Officer time.
- Spend to Save.
- Councils responsible for own costs/keep savings.

# Corporate Programme Structure



In addition 2 major stand alone projects are reported regularly to CMT which have links with aspects of the above; Information Governance Group (Chair - B. Moore), 2013/16 Budget (Lead – A Puckrin)