



URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Shared Services Joint Committee

Wednesday 29 March 2023

| Agenda Item Number | Page | Title | Report Author | Reason for delayed publication |
|---------------------------|----------------|--|--|--|
| 6. | (Pages 3 - 12) | Hosted/Lead Disaggregation ICT Digital Disaggregation Options Report | Chief Information Officers for WNC and NNC | Report not available at the time of agenda publication |

If you require any further information about this agenda please contact Richard Woods, Democratic Services via the following:

Tel: 01327 322043

Email: democraticservices@westnorthants.gov.uk

Or by writing to:

West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

This page is intentionally left blank



Joint Committee (Shared Service) 29 March 2023

| | |
|-------------------------|---|
| Report Title | ICT Digital Disaggregation |
| Report Author | Nana Barfi-Sarpong, Chief Information Officer NNC Nana.Barfi-Sarpong@Northnorthants.gov.uk Chris Wales, Chief Information Officer WNC Chris.Wales@Westnorthants.gov.uk |
| Executive Member | Cllr Lloyd Bunday, Portfolio holder for Finance and IT, NNC Cllr Mike Hallam, Portfolio Holder for Corporate and HR, WNC |

| | |
|--|---|
| Key Decision | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are there public sector equality duty implications? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information (whether in appendices or not)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972 | |

Contributors/Checkers/Approvers

| Approver | Officer Name | Date Officer Approved Report |
|--------------------|---------------------|--------------------------------|
| North MO | Adele Wylie | Approved 21/03/2023 |
| North S151 | Janice Gotts | Approved 24/03/2023 |
| Other Director/SME | Guy Holloway | Approved 21/03/2023 |
| West MO | Catherine Whitehead | Approved 20/03/2023 |
| West S151 | Martin Henry | Approved 22/03/2023 |
| Other Director/SME | Sarah Reed | 20 th February 2023 |

1. Purpose of Report

- 1.1. To seek approval to proceed with the disaggregation of the Digital Services which is currently hosted by West Northamptonshire Council (WNC) and provided to North Northamptonshire Council (NNC), and Northamptonshire Children's Trust (NCT).

2. Executive Summary

- 2.1. The objective of the project is to equitably disaggregate the ICT Digital Services Team as endorsed by the Shared Services Joint Committee in June 2022. Doing so will allow each authority the autonomy to invest in and deliver its own services as set out in their respective forward plans for future ways of working; with specialised teams that can concentrate on designing and building end-to-end digital services that directly reflect the user needs in each individual authority.
- 2.2. The project has identified that eight WNC posts are in scope for the disaggregation. If the committee agrees to the disaggregation, to successfully disaggregate and operate two effective digital teams, recruitment for the remaining roles needs to be undertaken alongside TUPE of identified staff in the North. For West, following disaggregation, there would also need to be some assessment of capabilities to mitigate the changes from disaggregation.
- 2.3. To create a functional Digital team in the North, the NNC Chief Information Officer (CIO) has identified several critical roles. Subject to separate NNC approvals, these ideally need to be recruited to prior to the completion of staff disaggregation.
- 2.4. The Ex-NCC net budget for Digital was £371,510. NNC pay 38.6% of this amount (£143,402) for NNC services.
- 2.5. Both WNC and NNC remain committed to funding NCT and WNC will continue to be the host council to support NCT services with NNC retaining a continued commitment to contribute 11.4% of this cost which currently equates to £42,352.
- 2.6. The current proposal sees the team disaggregation taking place and the Digital team exiting from the IAA in 3 stages.
 - **Stage 1 focusses on disaggregation of the team by July 2023.**
Between July and December 2023 upskilling will be required to support the continuation of open digital projects.
 - **Stage 2 will focus on project handover and completion by December 2023 ending service provision by WNC to NNC.**
A degree of cooperation between NNC and WNC will be required to safely complete/handover these projects without impact to customers. There will still be some shared systems, but NNC and WNC will be able to support them independently until decommission.
 - **Stage 3 will be the final disaggregation of those shared system contracts that cannot be novated, by November 2025 at the latest.**

These contracts will remain in place after TUPE, but the disaggregated staff will work to ensure that each council has its own arrangements in place ready for when they expire. There will need to be continued sharing of existing contracts until November 2025, to the value of approximately £140,000. **Clarification on the earliest exit from the IAA is being finalised by legal colleagues from NNC and WNC.**

- 2.7. The project is recommending a disaggregation involving the split of staff alongside the necessary recruitment and training to fill key vacancies in both NNC and WNC teams. With regard to the financial position, the contribution from NNC to WNC will reduce in accordance with the proportionate value of the service change.
- 2.8. There may be an impact on service provision for ongoing work whilst the new structures are put in place. The teams expect it to take six months for people to gain the right exposure to certain systems in order to become self-sufficient.
- 2.9. Both NNC and WNC would need to invest time in redesigning applications in the Outsystems estate. These are Blue badges, Waste permit applications and Halo CRM. The latter project will be resourced by NNC only from July 2023.

3. Recommendations

3.1. The Joint Committee (Shared Services)

- a) Approve the disaggregation of ICT Digital Services
- b) Approve the timeline at paragraph 12 of the report ((any significant changes to the timeline shall be reported to the Joint Committee)
- c) Note that the disaggregation will be undertaken in accordance with the timeline however the formal removal of the service from the Inter Authority Agreement is dependent upon the termination/expiry of supplier contracts
- d) Grant delegated authority to the Monitoring Officers in consultation with the Leaders for NNC and WNC I to take any further decisions and actions necessary to amend the IAA by the removal of schedule 2A4.

3.2. Reason for Recommendations

- a) The proposed option to disaggregate the ICT Digital Service adopts and adheres to the Local Government Reform blueprint and the agreed disaggregation timetable set out by the respective Shadow Executive authorities. Both councils (and customers) will receive the maximum benefit from the option proposed by the localisation of service delivery to meet the individual digital needs of both organisations.
- b) Both councils considered variations to how to enable the disaggregation and timings, and the staged timetable is one that enables the future and ongoing resilience of both digital teams.

3.3. Alternative Options Considered

- a) Not to disaggregate and remain as a service hosted by WNC and provided to NNC. This option would be counter to the approval and adoption of the

4. Report Background

- 4.1. Since the launch of the two new unitary authorities in April 2021, the ICT Digital Team has been hosted by WNC and currently delivers digital services for WNC, NNC and NCT
- 4.2. The shared ICT Digital service was formed in WNC on 1st April 2021 as part of local government re-organisation in Northamptonshire. West Northamptonshire Council (WNC) is the hosting council and provides services to North Northamptonshire Council (NNC) and the Northamptonshire Children's Trust (NCT) under Inter Authority Agreements. The service supports NNC and WNC (75%) and the Children's Trust (25%).
- 4.3. The agreement with NCT is not within the powers of this Committee to determine.
- 4.4. **Operational Environment**
- 4.5. The Digital function is responsible for providing:
 - Security, updates and support for digital applications, software, and systems (i.e., the ones the digital team created) ensuring councils comply with the latest cyber security standards
 - Development and software maintenance for both WNC/NNC websites (NNC have their own web content team) ensuring the council stays up to date with the latest integrations for local council websites
 - Data scripts and integrity for the databases connected to the digital estate (i.e., created by the Digital team)
 - Service Design - Designing digital government services that put people at the centre and help them do the task they need to do
 - Software engineering - Maintaining and supporting the council's technical development platforms to make it easy to create and improve public services
 - Supporting our Council Websites - Providing customer service, education and content support.
 - Digital development services related to the creation and maintenance of bespoke software, new applications, systems and interfaces where appropriate.
 - Using technology to improve the way the council serves its local residents and other community stakeholders
 - Migrating data from our old websites and updating council information
 - Creating applications that allow residents to pay for council services e.g. Garden waste
 - Building links between our services to provide better customer service and experience
- 4.6. **Current arrangements**
 - At present, the Digital team prioritises shared projects so that NNC and WNC

achieve economies of scale. This means that both councils need to agree on strategic priorities and direction. As both councils mature, there will be different challenges, in line with divergence in Corporate Strategies, Technical Estates and Ways of Working.

- Both WNC and NNC are still committed to funding NCT (NNC contributes 11.4% and WNC contributes 13.6% of the current shared 371k budget), and WNC will continue to be the host council to support the provision of NCT services.

4.7. **Staffing** - There are eight posts in the digital team identified as in scope of disaggregation with two of these currently vacant on the current establishment list.

Employees' home postcodes are a possible factor for consideration in whether people will transfer, however, the key driver is to ensure an adequate balance of capability across both the North and West Authorities.

To ensure that the wellbeing of all staff is paramount, employees will be offered a one to one with their manager during consultation so that they may discuss any personal considerations that need to be factored into the disaggregation prior to allocation of resources to either WNC or NNC.

The Disaggregation Criteria contained within the Inter Authority Agreement shall be followed which is;

- the relative proportion of work undertaken for the Parties in twelve-month period immediately prior to the Termination Date;
- any preference stated by the Employee;
- the relative costs involved in terminating and/or transferring the Employee, so as to ensure a fair sharing of the costs between the Parties;
- the skills of the Employee and requirements after the Termination Date
Consider this period as against the intended duration of the Agreement and/or any New Supplier, so as to ensure a balance of skills and continuity of service for the Parties after the Termination Date.

4.8. **Timing** - The scope of the work is to disaggregate the Digital team in a way that both authorities can independently manage their own service safely by a jointly agreed timeline. Consideration of any third-party supplier contracts which have been entered into will need to be undertaken.

4.9. **Resources** – As a joint project between North and West Northamptonshire Council, it has been agreed that there are shared project management resources on both sides to enable this project to be completed.

4.10. **Budget** – NNC contribute 38.6% and WNC contribute 36.4% of the service costs for their respective element of the ex-NCC service, (£143k for NNC and £135k for WNC) in respect of the staffing element. There is a further annual figure of c£140k (overall) in relation to contracts, the last of which is expected to expire in November 2025, and the contributions will be amended as the contracts cease and each Council enters

into new arrangements. NNC would therefore be expecting to cease paying c£70k as these contracts end or novate. It should be noted that as contracts expire and if we move away from a single contract providing services to both councils, to individual contracts then there are bound to be additional costs to organisations that each authority will become responsible for.

- 4.11. The further provision of services to NCT accounts for 25% of the cost of the service (of which NNC contributes 11.4% and WNC contribute 13.6%) and will remain a WNC responsibility.
- 4.12. If the service is disaggregated NNC will continue to contribute 11.4% to the West's service for the provision of services to the Children's Trust.
- 4.13. For all other aspects of the disaggregated service West and North Northants will be responsible for agreeing funding for their separate service and any additional costs associated with establishing their own services. This would include any additional costs of having separate contracts when they expire.
- 4.14. For West Northamptonshire it is anticipated that any additional costs can be covered within existing budgets.
- 4.15. For North Northamptonshire, any change in cost will be determined by the requirements for the service moving forward. Initially costs will be retained within overall budgets.

4.16. **External Contract changes**

WNC as the host authority have entered into third party supplier contracts which they are the sole party to and which both authorities may need the benefit of when the services disaggregate. It is essential that the authorities understand the implications of terminating/novating such contracts and if this is possible under the terms agreed. Further legal advice and review of all contracts is required to understand the authorities' contractual positions and action that is required to support the disaggregated teams.

When the authorities can formally remove the digital service from the IAA completely will be dependent upon the review of the contracts and the provisions required to protect the authorities' positions.

Several contracts will be allowed to naturally expire, as they are historical and have either been replaced or are no longer needed.

When contracts split certain cost benefits related to sharing will cease to exist resulting in increased costs for each council.

Shared Digital contract recharges are still to be agreed as prior to Vesting Day the digital team was a charged service, so no budget lines were in place for operating systems. Consideration of contractual arrangements and any relevant charge or arrangements will need to be put in place and will be detailed in the IAA exit plan.

4.17. **Exclusions**

Service improvement - The disaggregation of the digital team will aim to provide a pool of balanced skilled resources to maintain current functions, there will be no review or amendment to future unplanned digital service provision because of the disaggregation.

Staff not funded from ex-NCC pot – Only those posts identified as being part of the original Northamptonshire County Council establishment, as identified above, are in scope.

5. Next Steps

A decision is to be made by the two Chief Information Officers to consult staff and agree to the moves of posts from West to North and continue with the staged approach. This will be in line with the agreed disaggregation principles.

6. Implications (including financial implications)

6.1. Resources and Financial

There is a cost for disaggregating the service, but this is being mitigated by both councils. The West will reassess capabilities and look to external funding to scale up per project, while the North has separate ICT resource requirements, which include capacity for digital services and are being considered externally to this project.

In order to disaggregate, the NNC digital team will need those staff resources that are essential for keeping the existing system commitments operational.

NNC will reduce its financial contribution to WNC by £143k, in order to support the funding of posts that are required to manage its new Digital team. It is essential that the NNC team is sufficiently resourced to be able to continue to support their digital services including website maintenance, develop more applications using Placecube (low code platform) and offer valuable skills and capacity to projects requiring service design and agile mindsets and skills.

Both NNC and WNC would need to invest time in redesigning the 3 applications in the Outsystems estate; these are Blue Badges, Waste permit applications and Halo CRM. NNC and WNC will rely on different low code platforms to fulfil the aforementioned projects. NNC has already procured a new low code platform, while WNC may need to procure a similar platform and this challenge exists with or without disaggregation.

6.2. Statutory and Legal

The Digital function is currently operating in accordance with the Inter Authority Agreement (IAA) that exists between NNC and WNC. Councils will approve the removal of this service from the IAA upon disaggregation and TUPE of staff. This will be undertaken via a phased approach.

The Digital Service is a transformation body and does not provide statutory functions for itself. However, the team does adhere to regulations such as the Data Protection Act and GDPR, and provides systems for statutory services, i.e., blue badges.

The Digital Service must meet government accessibility criteria for its products, systems and services, and follow the international WCAG 2.1 AA guidelines for public bodies.

There is a statutory requirement for local authorities to provide a blue badge scheme, introduced in 1971 under Section 32 of the Chronically Sick and Disabled Persons Act 1970. This service supports people who are elderly or with certain disabilities, to be able to park with convenience to access goods and services.

The service will remain subject to the Inter Authority Agreement until it is amended to remove the service from the agreement. Final disaggregation does not take place until that is achieved.

7. Key Risks summary

- The new digital teams will not be functional unless properly resourced.
- Failure to establish critical roles in the digital teams in order to meet essential business need.
- There could be some disruption to projects in flight at WNC if some staff move across to NNC.
- Failure to recruit sufficient depth of skills to either authority
- Disruption to NNC projects in flight, as staff who are not in scope are assigned to these projects.

8. Dependencies

- The Outsystems platform, comprising of 2 shared applications (Blue Badge and Waste Permits) needs to be maintained until 2025.
- NNC and WNC must continue to collaborate on the website migration project, contributing 50/50 on resource or savings will not be realised. There are 2 developers in scope who will need to continue to support the project, and BA / Service Design vacancies are likely to be needed to support the project at later stages to release future related savings.
- The migration from the legacy NNC website requires both councils to ensure that it has the right capacity in place to support the continued migration. All staff remain in post (i.e. no staff attrition), otherwise there would be a 3-month extension to the projects and disaggregation timeline to recruit
- WNC must purchase low code platform (c£150k invest to save, needed with or without disaggregation, but a dependency for disaggregation).

9. Assumptions

- NNC and WNC take the relevant resource decisions to ensure critical staff are in

place to support the disaggregation.

- NNC and WNC must continue to collaborate on the website migration project.
- WNC and NNC will both support the relevant applications, such as Outsystems, between TUPE and Dec 23 prior to exiting the IAA.
- Support for relevant systems, in particular Outsystems applications, will be shared across councils, until contracts end or novate.
- WNC digital management team would be available for ad-hoc support until Dec 23 at the latest. This would mean that new recruits are fully onboarded and supported.
- NNC and WNC will share costs on shared contracts / GPC spend until the specific contracts terminate and at the latest November 2025, when all contracts will have terminated.

10. Mitigations

- The disaggregation will take place in stages
- All current projects would complete with currently assigned existing resource
- Outsystems needs to be maintained until March 2025, to support the blue badge and waste teams until the latter disaggregates. Contract costs must be shared until then.
- The Websites and Outsystems work must be the highest priority for both councils, to complete disaggregation on time.
- The web project team (as is) continues to work as a team until the migration timeline has completed. This would mean that regardless of North/West positioning, developers would continue to provide resilience for one another as part of a transition agreement.
- NNC and WNC will share costs on Granicus forms until March 2025, when the contract ends. Forms will be migrated between March 2024 and March 2025 with both NNC and WNC managing their own forms until the migration, and both councils assisting with the migration. This piece of work is awaiting scope definition from Granicus as to time and cost.

11. Next Steps

Specific Planned Actions

Subject to endorsement of disaggregation –

- HR will be engaged to commence consultation and support Stage 1
- Pending approval procurement and legal services will be engaged to support the contract novation where required to support Stage 2

12. Proposed Project timeline

| Milestone | Timeline | |
|---|------------------|------------------|
| Impact Assessment & IAA variation notice presentation at 1 st JOB – Returned for member review | 26 October 2022 | 9 February 2023 |
| SSJC review/ decision | 29 March 2023 | 29 March 2023 |
| Recruitment to vacant posts begins | 30 March 2023 | 22 June 2023 |
| Consultation proposal agreed | 24 April 2023 | 24 April 2023 |
| HR Review with TUs | 24 April 2023 | 05 May 2023 |
| Consultation period | 08 May 2023 | 16 June 2023 |
| Consultation Review | 19 June 2023 | 30 June 2023 |
| Staff Disaggregation* | 01 July 2023 | 31 July 2023para |
| Onboarding for Website migration | 31 July 2023 | 31 March 2024 |
| Disaggregation Activity (begin TUPE process) | 03 July 2023 | 31 July 2023 |
| Websites & AWS Development handover WNC-NNC | 18 July 2023 | 31 December 2023 |
| Projects Disaggregation | 01 August 2023 | 31 December 2023 |
| Mailbot training | 01 January 2024 | 31 March 2024 |
| Contract disaggregation | 01 August 2023 | 31 Nov 2025 |
| IAA exit arrangements | 31 December 2023 | 31 December 2025 |