



Shared Services Joint Committee 8th June 2022

Report Title	DTI Change Request (Lead)
Report Author	Chris Wales, Chief Information officer (WNC) Nana Barfi-Sarpong, Chief Information Officer (NNC)
Executive Member	Cllr Lloyd Bunday, Executive Member for Finance and Transformation NNC Cllr Mike Hallam, Cabinet Member for HR and Corporate Services 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 West MO	Adele Wylie Catherine Whitehead	4 th May 2022
North S151 West S151	Janice Gotts Martin Henry	4 th May 2022
Other Director/SME	Lisa Hyde Sarah Reed	N/A

List of Appendices

None

1. Purpose of Report

- 1.1 To approve the recommendation to change the treatment of three functions within the shared Digital, Technology & Innovation (DTI) service.
- 1.2 To approve the recommendation for the creation of a project team, alongside an independent consultancy, to investigate in detail the approach to disaggregation and to form a plan for delivery of the disaggregation of IT services from West Northamptonshire Council.

2. Executive Summary

- 2.1 A joint change request is proposed by WNC/NNC to seek approval to support the recommendations to change the treatment of several DTI service functions as detailed in section 3.
- 2.2 This change request seeks to make immediate changes to disaggregate part of the DTI service, ahead of a longer programme of work to look at the more complex and harder-to-separate service functions.
- 2.3 The proposal is to further put together a programme team reporting to both CIO's, alongside an independent agency /consultancy for a six-month period, to work through the detail of the more complex areas in the blueprint and to provide members with a detailed plan and options for disaggregation to consider.
- 2.4 The proposals were agreed in principle by members of the Shared Services Joint Committee at a workshop on 15th March 2022.

3. Recommendations

- 3.1 It is recommended that:
 - The request to amend the treatment of **Strategy & Architecture** from a Hosted model to a Disaggregated model is endorsed and submitted to the Shared Services Joint Committee for consideration to approve, and the blueprint is amended to reflect these changes.
 - **Business Systems** is removed from the IAA.
 - The request to amend the treatment of **Digital** from a Lead model to a disaggregated model is endorsed and submitted to the Shared Services Joint Committee for consideration to approve, and the blueprint is amended to reflect these changes.
 - Officers commission a programme team (internal and consultancy) to deliver a report and proposed options for disaggregation of the remaining areas of the blueprint. The team should be in place within six weeks of this decision.

- In order to ensure progression on the proposals outlined in this paper a progress report will be presented to the Shared Services Joint Committee on a quarterly basis.
- 3.2 The recommendations are made to support the request from NNC to disaggregate ICT services, whilst reflecting both the reality of the service as experienced during its first year, and what functions can and should be changed at this stage to support this.
- 3.3 The recommendations reflect the discussions at an ICT disaggregation workshop of Shared Services Joint Committee members on 15th March 2022.

4. Report Background

- 4.1 The present shared ICT service was formed in WNC on 1st April 2021 as part of local government re-organisation in Northamptonshire. It provides a hosted ICT service to NNC as well as providing services to WNC, the Northamptonshire Children’s Trust (“NCT”), and to former LGSS partners (e.g., Cambridgeshire County Council and Milton Keynes Council) as part of both NNC and WNC’s participation in the inherited shared services from LGSS.
- 4.2 The original Future Northants blueprint specified six services:
- Business Systems – ERP (lead)
 - Operations and Infrastructure – Former NCC systems (lead)
 - Service Delivery – Former NCC systems (lead)
 - Programme Team – Former NCC systems (hosted)
 - Strategy and Architecture (hosted)
 - Digital (lead)
- 4.3 At the request of NNC members, a paper¹ was brought to the Shared Services Joint Committee on 8th September, 2021. It proposed that the Chief Information Officers for WNC and NNC did a scoping exercise to determine what a discovery phase of work would cost to do, and how best to approach it.
- 4.4 Initial findings were discussed at a meeting of officers from both authorities on 12th January 2022. It was agreed that given the complexity of the service and the various considerations, members of the joint committee should participate in a workshop to explore fully options and complexities inherent to progressing

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<https://northnorthants.moderngov.co.uk/documents/s2353/20210824%20ICT%20Disaggregation%20Discovery%20proposal%20-%20public%20v1.0.pdf>

the discovery phase of work, and to look at what changes could be made shorter term to progress disaggregation. This took place on 15th March 2022.

4.5 Members at the workshop agreed in principle to the recommendations of this paper, pending its formal approval.

5. Issues and Choices

5.1 The following options were considered.

Function	Option 1	Option 2	Option 3	Conclusion
Business Systems	Remove from the blueprint	Retain on the blueprint	-	Business systems falls under the monitoring and governance of the Lead Authority Board, to which NNC is separately a party. It does not therefore constitute a service that WNC directly supply NNC and should be removed accordingly.
Service Delivery	Further investigation	Disaggregate	Retain on the blueprint	The sheer complexity and size of these two services poses significant risk to the running of both organisations and requires resourcing which cannot be found within the existing authorities. Costs and timelines are hard to determine. Both parties have agreed to commission an independent plan to investigate and propose options in further detail.
Operations & Infrastructure	Further investigation	Disaggregate	Retain on the blueprint	
Digital	Disaggregate	Retain on the blueprint	-	Option 1 allows each authority the autonomy to invest in and deliver its own services, and the service is sufficiently straightforward to permit a disaggregation with no further assistance.
Strategy & Architecture	Disaggregate	Retain on the blueprint	-	This function contains no shared staffing or budget and exists in name only. It is therefore best to reflect this as not an aggregated function.

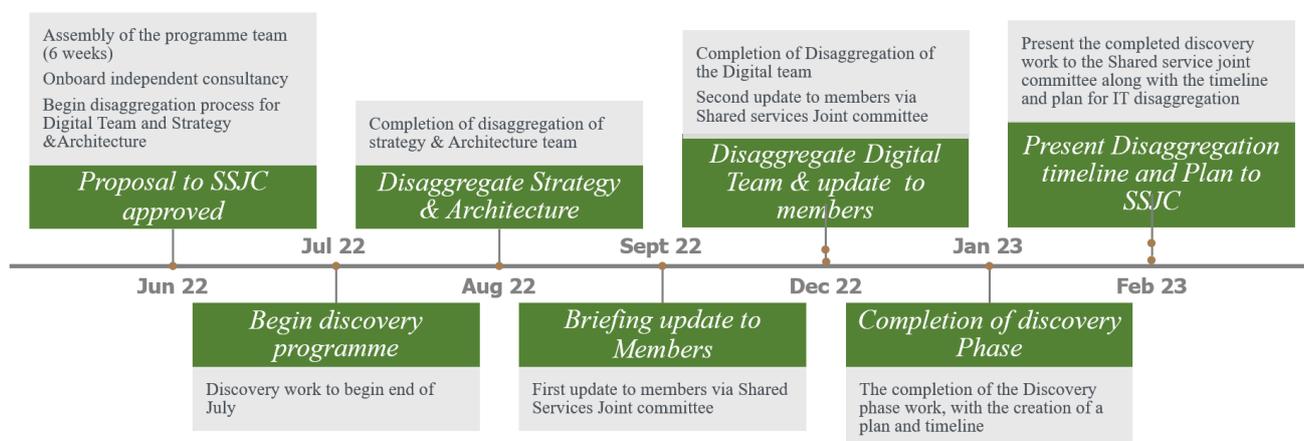
6. Next Steps

6.1 As endorsed by Joint Officer Board, the next steps would be to present the change request at the Shared Services Joint Committee on 8th June 2022 to seek approval for the blueprint changes.

7. Timeline and engagement

7.1 Once approved by the Shared Services Joint Committee, the programme of work around discovery will undertake the following timeline in order to reach the objectives set out in paper above;

IT Disaggregation Discovery Timeline



7.2 The programme will also present a briefing every 3 months, to the Shared Services Joint Committee to update members on the progress of the proposals outlined.

8. Implications (including financial implications)

8.1 Resources and Financial

- Digital:
 - Limited resources will be required from the enabler services to support the disaggregation process for the Digital function.
 - TUPE transfer of staff will be required for the disaggregation of the Digital function.
 - The 2021-22 budget, as inherited from NCC, was:
 - WNC: £272,008 of which £76,162 pays for NCT services.
 - NNC: £272,008 of which £59,842 pays for NCT services.
 - This would therefore result in a reduced charge to NNC of £212,166 for Digital, subject to adjustment for actual costs (e.g., changes in staff pay).
 - A review will also be required to determine and split any existing contract costs relating to the digital service, should there be any.
- Strategy & Architecture:
 - There will be no resource or financial implications arising from the proposals to remove Business Systems and Strategy & Architecture from the IAA.

8.2 Legal and Governance

- The Digital function is currently operating in accordance with the Inter Authority Agreement that exists between North Northamptonshire Council and West Northamptonshire Council. If the recommendation proposed within the

report is agreed, then the Councils will approve the removal of this service from the IAA.

- The Business Systems function is currently operating in accordance with the Inter Authority Agreement that exists between North Northamptonshire Council and West Northamptonshire Council. If the recommendation proposed within the report is agreed, then the Councils will approve the removal of this service from the IAA agreement.

8.3 *Relevant Policies and Plans*

- This work supports NNC's plans to deliver effective ICT services to its residents.
- This work supports the Corporate and transformation plans for the organisation.
- This work will allow NNC to build the service required to respond to the council's ambitions.

8.4 *Risk*

- The process for separating Digital is likely to involve the duplication of several needed skillsets where these exist in a single individual, or where the team benefits from an economy of scale. There is therefore a high risk that the cost of the Digital function will increase for both authorities.
- If an agreement with staff over their choice of employer is not reached, the process may well be delayed by appeals and union activity, and a protracted process is likely to damage staff morale, reducing productivity and increasing the risk of expenditure to replace departing staff.
- Failure to proceed at pace would inhibit NNC's ability to determine a sovereign IT strategy, based on the vision of the organisation. A delay to the disaggregation process will impact NNC's ability to deliver on its transformation journey.
- Failure to proceed would impact wellbeing of staff in NNC, due to not being able to formalise structures and delay to investment in the service in NNC due to unconfirmed impact of disaggregation.

8.5 *Consultation*

- Should the decision be made to disaggregate any teams within DTI then it will be necessary to undertake the required consultation staff process in line with TUPE and the approved HR disaggregation principles.

8.6 *Consideration by Scrutiny*

- None arising from this report.

8.7 *Equality Implications*

- No negative impacts or implications arising from this report.

8.8 *Climate Impact*

- No negative impacts arising from this report.

8.9 *Community Impact*

- No negative impacts arising from this report.

8.10 *Crime and Disorder Impact*

- No negative impacts arising from this report.

9. Background Papers

9.1 None.