



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 2ND NOVEMBER 2016, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION

The attached papers are in respect of an additional item (8a) to be added to the Agenda previously distributed relating to the above mentioned meeting and additional information relating to item 11 .

8a Urgent item - ICT Infrastructure Resource (Pages 1 - 6)

10. To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraph</u>	
11	4	"

11. Development Management Shared Services Business Case (Pages 7 - 10)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA
1st November 2016

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ICT Infrastructure Resource

Relevant Portfolio Holder	Cllr G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Transformation & OD
Wards Affected	N/A
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSAL

- 1.1 At the meeting of the Council on 21st September, the recommendation about dealing with difficulties recruiting to the team dealing with the ICT infrastructure was withdrawn to enable further options to be explored. This report summarises consideration of the options and makes a recommendation to Cabinet and Council about the way forward.

2. RECOMMENDATIONS

Cabinet is requested to **RECOMMEND**:

- 2.1 That authority be delegated to the Head of Transformation and Organisational Development to undertake a tendering process to identify a potential supplier to take on the ICT infrastructure functions.
- 2.2 That a decision on the proposed contract is subject to consideration of a further report containing details of the proposals and their impact on the service and budget, for consideration by the Cabinet.

3. KEY ISSUES

Financial Implications

- 3.1 The current cost to Bromsgrove District Council (BDC) for providing the service is £34,093. This includes the salary and on-costs for the two posts effected.
- 3.2 Whilst final costs for delivering this part of the service externally will not be known until a competitive exercise is completed, it is estimated that the costs will be approximately £30,000 to BDC in the first year, with larger savings estimated for any additional years.

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- 3.3 Other public sector organisations will be permitted to bid for the contract alongside any private companies.
- 3.4 Bromsgrove District Council will charge £225 per month, per person, to any supplier delivering the outsource contract who wishes to retain members of staff on our premises. This is to cover the costs of providing office space, desks, electricity, phones etc.
- 3.5 There is a cost implication whilst the ICT Infrastructure roles remain with just one of the two posts filled. To enable the demands of the posts to be completed, resource is currently being purchased from various companies. Whilst this cost is currently being offset by the saving made by having a post empty, any additional requirement could push us outside of budget and using different companies limits the ability to provide continuity of service.
- 3.6 The number of resource days we receive whilst purchasing on an ad-hoc basis is limited compared to those we would expect to receive via a formal 2 or 3 year contract.

Legal Implications

- 3.7 An appropriate competitive tendering exercise based on the value of the contract will be undertaken to identify a potential supplier to take on the ICT infrastructure functions. As previously reported to members, the next stage would be to enter into a contract, but the revised proposal is that a report will come back to Cabinet to advise on the outcome of the tendering process before any further steps are taken.
- 3.8 As previously reported, if the outsourcing to an external provider proceeds this will constitute a relevant transfer for the purposes of the TUPE (Transfer of Undertakings, Protection of Employment) Regulations. The rules provide that where in house services are transferred to external providers existing members of staff TUPE across to the new contractor. As referred to at 3.10, this will affect one member of staff. Any issues in this regard will be managed as part of the process in accordance with usual HR procedures.

Service / Operational Implications

- 3.9 For several years ICT has had an ongoing problem retaining and recruiting staff with certain specialised technical skills. Following the recent resignation of a member of staff, this problem has been highlighted again. The recruitment campaign to fill this vacant post has attracted few applicants with the required skills and experience. This

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report proposes a different approach to solving the problem by testing the market to check if outsourcing a small part of the ICT team, is a viable option.

- 3.10 If a suitable proposal is received from an external company a second paper will be bought to council seeking agreement to the TUPE transfer of the two current posts. Currently, one of the posts is filled whilst the other is vacant.
- 3.11 This proposal presents a solution to correct a particular ongoing issue in the service due to the problem of recruiting staff with these types of skills. Overall the organisational approach remains that of sharing internal resource where ever possible.
- 3.12 During the past five years the ICT Infrastructure role has been advertised five times. During these recruitment campaigns, the council has had to advertise and re-advertise numerous times to find a suitable candidate. In 2015 a new infrastructure post was created that required additional skills and consequently offered a higher grade. After running two advertising and interviewing campaigns the post was finally recruited to in mid-2015. However, by June 2016 this post was vacant again when the incumbent officer resigned. Following adverts on a number of recruitment websites including the WM Jobs site, only eleven applications were received. Shortlisting resulted in five applicants being invited for interview. Of the five only one applicant attended for interview. This candidate scored just over 50% on the interview questions and was not considered suitable for this role.
- 3.13 The ICT Infrastructure Officer and ICT Infrastructure & Network Officer posts play a key role in maintaining day to day delivery of the ICT service to the Authority. Their main function is to ensure that the servers and storage which enable the business applications to work, are operating successfully. This includes the servers for Emails, Finance, Payroll, Revs & Bens, Elections etc.
- 3.14 In addition the team have been involved in several 'power off' situations at both Parkside and Redditch Town Hall and are key to closing down services correctly and returning them to a working state. Further power off situations may occur at both sites and currently only 1 person is available with the correct skillset to cover this task.
- 3.15 Senior managers are aware that the current lack of resource is having a detrimental effect on the remaining personnel and that this issue needs to be resolved as soon as possible to maintain staff morale and avoid absence.

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- 3.16 As mentioned above, resource is currently being purchased on an ad-hoc basis whilst we try to maintain a service with only 1 of the 2 posts filled. The resource comes from several different companies and trying to maintain continuity of service is becoming increasingly difficult.
- 3.17 Since withdrawal of the item from Council in September, officers have reviewed the options available to the Council in conjunction with the Portfolio Holder. Given Members' concerns at the Council meeting about the potential for an increase in cost to the service as a result of procurement, it is proposed that the service is put out to tender but a final decision on whether or not to proceed is not taken until Councillors have considered the outcome and implications of the tender exercise.
- 3.18 It is likely that the procurement will take a number of weeks to complete.

Customer / Equalities and Diversity Implications

- 3.19 There are no customer / equalities and diversity implications.

4. RISK MANAGEMENT

- 4.1 There is a risk no external provider responds to the tender exercise with a proposal that is within the current budget. If this risk becomes an issue, other approaches will need to be considered.
- 4.2 There is a risk that the external provider will not deliver the service to the level provided by the current internal team. This risk will be addressed through using a robust selection process, and ensuring as far as possible that there are appropriate contractual obligations imposed on the external provider.
- 4.3 The impact of outsourcing could inadvertently increase pressure in the short term, on existing members of ICT whilst the new service is procured and then implemented. The result of increased pressure could lead to additional sick leave but this has been mitigated by securing additional temporary resource from external companies.
- 4.4 To be balanced against the risks outlined above, is the risk that if no action to pursue outsourcing is taken then the Council is likely to continue to encounter recruitment problems which over a period of time may undermine the ability for the service to be provided.

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5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None

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