

EAST RENFREWSHIRE COUNCIL

CABINET

27<sup>th</sup> MARCH 2014

Report by Director of Finance

ICT COLLABORATION

**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval from Cabinet for a variation to contract of £114,550 for the ICT Collaboration, in accordance with Financial Regulations 8.3.

**RECOMMENDATIONS**

2. It is recommended that, in accordance with Financial Regulations 8.3, the Cabinet is asked to approve a variation to contract of £114,550 for the ICT Collaboration.

**BACKGROUND**

3. In October 2012 the Council approved East Renfrewshire's participation in the ICT shared service including delegating authority to the Chief Executive to spend up to £100,000 over two years, through spend to save resources, as East Renfrewshire's contribution towards the project if the Chief Executive was satisfied the ongoing business case justified the investment.

4. In June 2013 an external organisation, Castlerigg, were commissioned for a 2 year period at a cost of £199,650, following a detailed OJEU tendering exercise to explore the opportunities for collaboration around ICT across partner Councils. The brief was to explore areas of common need where collaboration around ICT could be beneficial to the partner Councils. Initially the partner Councils involved were East Renfrewshire, Renfrewshire and Inverclyde. Inverclyde Council has more recently decided not to participate further following the initial analysis and indication of collaboration opportunities, stating that further participation in the ICT Collaboration was not viewed as the right course of action at this point in time for them. East Renfrewshire Council and Renfrewshire Council however have identified a number of opportunities where collaborative working will lead to improvements in both Councils abilities to derive business benefits from the improved deployment of ICT. The opportunities will produce some medium term costs savings but, more importantly, will enable more significant savings in the longer term through the more rapid roll out of some key enablers of change such as mobile working, digital access and information management. The commission is now in its 2<sup>nd</sup> stage which is an 18 month period focused on turning the opportunities identified in the original business case into tangible and deliverable benefits for partner Councils, including the delivery of financial, system and process savings.

5. The opportunities identified are of a more wide ranging nature than expected when the commission began and are expected to bring significant benefits to service delivery in both Councils. The scale of the opportunities will put considerable extra workload on the ICT teams and operational staff to develop these opportunities. To ensure that the benefits can

be achieved within the resources available, the opportunities have been prioritised and 2 have been out on hold. In addition it is proposed to purchase additional days at a cost of £114,550 from Castlerigg to support the delivery of key benefits, including a Strategic Review of ICT. This review is regarded as essential to ensure that the future shape and priorities of ICT provision within the Council are efficient and effective to respond to the increasing digital demands and also to support and enable the provision of modern, efficient and customer focused services across the Council.

6. Following discussions between ICT, Legal and Procurement, it is recommended that a Contract Change Document is raised to provide a summary of the financial variation for the ICT Collaboration. The new total contract price will be £314,200.

## **FINANCE AND EFFICIENCY**

7. East Renfrewshire Council is the lead authority for the work and therefore Cabinet is required to approve the full contract change of £114,200. East Renfrewshire Council's total contribution to the contract will amount to £141,000 which is £41,000 higher than previously approved by the Council. £41,000 will be drawn down in 2014/2015, under delegated authority, from the Spend To Save funding in support of the ICT work being undertaken in collaboration with Renfrewshire Council.

## **CONSULTATION**

8. Consultation has taken place with the Chief Solicitor and the Chief Procurement Officer, who following investigation, have confirmed that the current 2 year commission could be extended to include the necessary additional support days.

9. The collaboration opportunities that are being progressed extend across all service departments of the Council. The Corporate Management Team is fully involved in influencing, shaping and delivering against these opportunities. Regular communication and consultation is being maintained with staff and trade unions as the project progresses.

## **CONCLUSIONS**

10. The contract variation of £114,550 is considered essential to turn the opportunities identified in the original business case for ICT Collaboration into tangible and deliverable reality for East Renfrewshire Council and Renfrewshire Council.

## **RECOMMENDATIONS**

11. It is recommended that, in accordance with Financial Regulations 8.3, the Cabinet is asked to approve a variation to contract of £114,550 for the ICT Collaboration.

## **REPORT AUTHOR/...**

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## **KEY WORDS**

ICT Collaboration, Variation to Contract of £114,550