

**Meeting: Full Council**

**Date: 20 September 2018**

**Wards Affected: All**

**Report Title: Transformation Project - Future of ICT Services**

**Is the decision a key decision? Yes**

**When does the decision need to be implemented? Immediately**

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## **1. Proposal and Introduction**

- 1.1 This report is presented to Council to consider a proposal on the future delivery and ownership of Torbay Councils ICT Services department.
- 1.2 Torbay Councils Information Communication Technology (ICT) department is a central support service providing ICT business systems and software support and development to the Council, Members, the Integrated Care Organisation and other joint working agencies.

## **2. Reason for Proposal**

- 2.1 As a result of the austerity measures faced by the Council the ICT budget has been reduced over the last 7 years whilst demand on the ICT support service has increased, resulting in the service becoming unsustainable, both in respect of IT infrastructure and staffing. As such there is a real and present risk of service failure.
- 2.2 Accordingly the Council has had to review the options for the delivery of its ICT department to ensure it provides the most resilient, efficient and cost-effective service.
- 2.3 A wide range of options were initially considered by officers, these options were shortlisted to 4 so that a business case evaluating these options could be developed. The options included in the business case are:

**Option 1. Do Nothing/Remain as is.**

**Option 2.** Internal provision – transform the service with a commitment to a sufficient level of additional and ongoing investment (short term option to cover the organisation’s transition).

**Option 3.** Contracting out the entire ICT service with SCOMIS - an ICT Trading unit within Devon County Council.

**Option 4.** Contracting out the entire ICT service and becoming a shareholder of DELT a private Company providing ICT support services to Plymouth CC and the North Devon CCG.

2.4 The option being recommended by officers is ‘Option 4’ – contracting out the ICT service to DELT Shared Services LTD – this is due to the benefits to the Council as follows: (for more details please see the business case at Appendix Two):

- Sustainability and resilience of ICT through the provision of the service via a larger organisation,
- Providing a greater ability to support transformational change while maintaining ‘business as usual’ ICT activity
- The option for Torbay Council to become a shareholder and generate income via DELT’s successful commercial operating model,
- The current alignment with some of our back office services with Plymouth City Council. (i.e. Children’s Services),
- Improved training and career progression opportunities for staff,
- Organisational staff culture, drive, ambition and enthusiasm,
- A breadth and depth of skills across both Unitary and District ICT systems,
- The opportunity to move other Torbay Council services into DELT in the future if desired e.g. Print/Post Services (DELTA are not solely an ICT provider).

2.5 As stated above the ICT service is currently unsustainable and therefore to prevent service failure an additional level of investment is now necessary.

2.6 Council are therefore being asked to make a decision over which option they wish to pursue.

### **3. Recommendation(s) / Proposed Decision**

3.1 That the Chief Executive be given delegated authority to purchase shares in DELT Shared Services LTD subject to the relevant due diligence taking place.

3.2 That the Chief Executive be given delegated authority to enter into a 10 year contract with DELT Shared Services LTD for the provision of ICT services to the Council, in accordance with the terms set out in exempt Appendix 2 to the submitted report.

3.3 That in order to fund the costs of the contract with DELT Shared Services LTD the Council approves the ICT budget (currently £2.2m) from 2019 onwards to £2.5m (representing an increase to the current budget of £0.3m) – this covers the Core Fee to DELT Shared Services LTD and the Council client side costs.

- 3.4 That Council delegate to the Chief Finance Officer the authority to identify the source of funding for the £200k transition costs for DELT Shared Services LTD from earmarked reserves.

### **Appendices**

Appendix 1: Supporting Information and Impact Assessment (Exempt)

Appendix 2: Business Case (including options appraisal) (Exempt)

Appendix 3: Financial Analysis (Exempt)

### **Background Documents**

None