



AGENDA FOR THE LEADER'S DECISION MEETING

A meeting will be held in Committee Room 1 on **1 September 2016 at 11.00am.**

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Despatched : 23 August 2016

Membership 2016/17

Councillor Richard Watts, Leader of the Council

A. Formal Matters

1. Declaration of interests
2. Shared ICT and Digital Services Joint Committee: terms of reference

- 1.



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Report of: The Corporate Director for Finance and Resources

Leader of the Council	Date: 1 September 2016	Ward(s): n/a
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SUBJECT: Shared ICT and Digital Service: Joint Committee: Terms of Reference

1. Synopsis

- 1.1 In March 2016, the Executive agreed to create a shared ICT and Digital Service between Islington, Camden and Haringey and that the service would be governed by a Joint Committee, made up of representatives from each local authority. The Joint Committee will provide democratic oversight for the Shared Service and this report sets out its proposed Terms of Reference.

The report also sets out the further governance arrangements, namely legal and managerial, that will be required to underpin the shared service.

2. Recommendations

- 2.1 To agree the Terms of the Reference for the Joint Committee as set out in Appendix A with it to come into effect from 1st October 2016,
- 2.2 To delegate authority to the Assistant Director (Governance and HR) in consultation with the Lead Member for Finance, Performance and Community Safety to negotiate, agree and enter into any necessary legal arrangements that will govern and underpin the operation of the shared service and give effect to this decision,
- 2.3 To appoint two members of the Executive (the Executive Member Finance, Performance and Community Safety and the Executive Member for Environment and Transport) to be members of the Joint Committee for the remainder of the municipal year 2016/17.

3. Background

- 3.1 In March 2016, the Executive agreed to create a shared ICT and Digital service between Islington, Camden and Haringey and that a joint committee be established to oversee the shared service. It remains the case that a long term strategic option for the shared service is to operate under a public service company model.
- 3.2 As part of the decision in March, the Executive noted that the Leader might agree the terms of reference of the Joint Committee and approve agreements between the Councils required to underpin the arrangements.
- 3.3 This report sets out a range of proposals that will determine how the shared service is governed through the Joint Committee and the legal arrangements that would underpin this.

4. Why is this report necessary?

- 4.1 The council, in partnership with Camden and Haringey, is creating a shared ICT and digital service. These proposals will create one integrated operating ICT and digital service with an existing combined net revenue budget of c.£43m and 405 Full Time Equivalents (FTEs). Once fully operational, these proposals are designed to deliver a savings target of £6m per annum.
- 4.2 The shared service will provide new capability (in terms of skills and scale), allow us to harness greater buying power and enhance our ability to innovate so that we continue to lead local government in our technology delivery. Ultimately, this delivers better benefits for businesses and citizens of Islington.
- 4.3 Three overarching objectives continue to underpin our development work, namely:
- Consolidating the expertise and best practice from each ICT service into one integrated and high-performing service,
 - Creating a public service structure that is resilient and is able to better withstand market conditions from both local government and beyond, and
 - Delivering value for money and cashable financial savings.
- 4.4 In creating this shared service, it is crucial that effective governance arrangements are in place to ensure both political and managerial oversight. The Joint Committee will provide the opportunity for Members to have democratic oversight over the strategic direction of the service and its ongoing performance and to make decisions about high value procurements undertaken by the service.

5. Options

- 5.1 The report proposes terms of reference for the operation of the shared ICT and Digital Services Joint Committee. This sets out to strike a balance between what is delegated by the Joint Committee to the Chief Digital Information Officer overseen by the Management Board and what remains with the Joint Committee. It would be possible to either further increase or to reduce the work and decision making powers retained by the Joint Committee, but it is considered that the distribution of responsibilities set out in the draft terms of reference in Appendix A strikes the right balance in the light of the four overarching principles set out in paragraph 5.3.
- 5.2 It should be noted that decisions of the Joint Committee will be made by a simple majority of those present and able to vote. This means that Islington's members of the committee may be out voted by the other members of the committee.
- 5.3 In considering the options for the joint committee and related legal agreement, four overarching principles have been used that are consistent with the wider objectives of the proposals. Any

arrangement should:

- Be as light touch as is consistent with good governance to ensure that decisions can be made in the most efficient and effective way possible:
- Avoid any form of 'separate duplicated decision making within each of the councils that undermine the integrated nature and spirit of the undertaking,
- Facilitate, and not undermine, a potential move towards a public services company model in the future and
- Ensure appropriate levels of input and scrutiny for each council

5.4 Options exist to pursue a different governance structure than a joint committee, including the creation of a public services company. As part of the development of these proposals, the Executive agreed that the Joint Committee approach would be implemented for October 2016. It was felt that this provided the quickest route to operation, but it was recognised that further consideration should be given to other long term strategic options. Officers have been asked to prepare a review of governance arrangements for consideration by the Joint Committee within one year of its inception. This has been captured within the proposed terms of reference.

6. What are the reasons for the recommended decisions?

6.1 In creating the Joint Committee, it is felt that this approach has the following benefits:

- It allows a clear and straightforward delegation of authority functions and powers,
- A joint committee is a governance structure that is tried and tested across local government,
- It represents the fastest way to establish the shared service,
- It does not limit any potential options that the council may wish to consider in terms of longer-term governance structures – i.e. it can still form the basis of a move to a public services company structure if desirable,
- Democratic accountability is maintained – member involvement is at the heart of the arrangement,
- There is an opportunity to create a separate 'brand' that provides a distinctive identity and which provides the basis for culture change.

6.2 The proposed Terms of Reference are set out in Appendix A. The following key points of note are as follows:

- The Joint Committee is planned go-live on 1 October 2016 and will meet at least twice a year;
- Islington will be represented by two Executive members on the Joint Committee as will both Camden and Haringey, noting the rotating chair and majority voting.
- It will provide democratic oversight over the strategic delivery of the joint digital service,
- It will approve the strategic service and financial plan for the service, including performance measures.
- It will agree the procurement strategy for contracts relating to the Joint Service the estimated value of which exceeds £2m revenue or £5m capital and award such contracts.

6.3 There will also need to be a legal agreement that underpins the creation and delivery of the integrated ICT and Digital Service. This will address the operational issues of the service and govern the day-to-day running of the services and how the three boroughs interact. Work across the three councils is currently underway to develop this agreement and it builds on the learning from both the Camden/Islington public health arrangement as well as the OneSource agreement between London boroughs of Havering and Newham.

6.4 In particular the agreement will provide for the following:

- i. The establishment of the Joint Committee with the terms of reference set out in Appendix A;
- ii. The establishment of the Management Board with an emerging draft terms of reference set out in Appendix B;

- iii. That existing staff employed in the ICT service of each of the councils will remain employed by their current council but that all new employees in the shared service will be appointed as employees of Camden;
- iv. Key elements of the funding schedule;
- v. Termination of the agreement in the event that the shared service can no longer be lawfully provided or if all three councils wish to bring it to an end and provision for withdrawal by any one council on notice;
- vi. Arrangements that will apply in the event of withdrawal of a council from the shared service or in the event of its termination to ensure an orderly withdrawal or termination and appropriate distribution of assets, resources and liabilities;
- vii. The sharing of liability in the event of a claim
- viii. The parties arrangements with regard to data protection.

6.5 It is proposed that the power to agree this arrangement is delegated to the Assistant Director (Governance and HR) in consultation with the Lead Member for Finance, Performance and Community Safety.

7. What are the key impacts/risks, How will they be addressed?

- 7.1 The bringing together of three distinct services into one shared service inevitably carries a range of significant challenges and risks as well as opportunities. Experience from across local government shows that the creation, and ongoing operation, of a shared service can be challenging. The proposals in this report have been designed to ensure that there is appropriate democratic oversight and accountability for the operation of the shared service. The agreement will provide that the shared service will be subject to the formal Member Scrutiny arrangements at each council and for access to the accounts of the service for audit purposes
- 7.2 Supporting the Joint Committee will be a managerial framework and legal agreement that will ensure that the operational performance and risks of the service are suitably managed. A Management Board will be responsible for the delivery of the overall service strategy and for managing overall operational and financial performance. The Board membership will be three senior officers from each council and the Chief Digital and Information Officer. Representatives from each borough will include the respective director of finance – the Corporate Director for Finance and Resources in Islington – and two senior service users

8. What actions will be taken and when following the decision and how it will be monitored?

- 8.1 Once established, the arrangements for the Joint Committee will align with the operating procedures used for all other council committees in Camden as Camden will host the Joint Committee. Camden's Committee Services will work closely with their colleagues in the other two councils to ensure that the governance process for all three councils are complied with.

9. Implications

Financial implications:

- 9.1 The Executive approved a one-off investment of £2.5m as a contribution to the creation of the shared service. There are no additional resource requirements arising from this decision.

Legal Implications:

- 9.2 The Local Government Act 2000 empowers the Secretary of State to make regulations enabling a Cabinet / Executive of a local authority to arrange for the discharge of its functions by other means. The Local Authorities (Arrangement for the Discharge of Functions)(England) Regulations 2012/1019 apply. The regulations empower the Leader and Executive to make arrangements to discharge their Executive functions jointly with another local authority through a Joint Committee created for that purpose. The

Regulations confirm that when the arrangements are between three local authorities and relate to Executive functions (which the IT function in a council is) then the arrangements are to be between the three Executives/Cabinets. Decisions of joint committees are binding on the participating councils. However, subject to the terms of the arrangement, the council retains the ability to discharge that function itself.

- 9.3 The appointment of the joint committee, number of members, and term of office and scope of the committee is to be fixed by the Leader and not the council. In addition the Leader (in agreement with Islington/Camden/Haringey) agree whether for example the Joint Committee can create a sub-committee(s) and / or delegate functions to an officer of one of the three Authorities. Every member to be appointed to the joint committee must by law be a member of their home Executive/Cabinet and the political balance rules do not apply.
- 9.4 The council may make its employees available to Haringey and Camden under s113 of the Local Government Act 1972. The council must consult staff who are to be seconded. Consultation has been undertaken with staff and is continuing.
- 9.5 It is unlikely that the Transfer of Undertaking (Protection of Employment) Regulations 2006 (“TUPE”) will apply to the setting up of the shared service, as the Joint Committee is a piece of administrative machinery through which the councils will continue themselves to carry out ICT activities in cooperation with one another

Environmental Implications

- 9.6 None for the purposes of this decision.

Resident Impact Assessment:

- 9.7 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 9.8 Bringing the three ICT services together is expected to have positive outcomes for residents, as it will help to accelerate progress on resident-focussed ICT projects that will improve residents' interactions with the council. It will also allow the councils to work collaboratively to address digital inclusion issues and ensure that we support residents in their digital lives.
- 9.9 The changes will affect staff working for all three authorities and a full assessment of the staffing impact will be carried out as the transition plans are worked through.

10. Reasons for the recommendations:

- 10.1 In March 2016, the Executive agreed to create a shared ICT and Digital Service between Islington, Camden and Haringey and that the service would be governed by a Joint Committee, made up of representatives from each local authority. Agreement has been reached on the arrangements for the joint committee and the Leader is asked now to agree the terms of reference, appoint two Executive members to be members of the Joint Committee and delegate the final legal arrangements to the Assistant Director (Governance and HR) in consultation with the Lead Member for Finance, Performance and Community Safety .

Signed by:



Corporate Director for Finance and Resources

Date

Appendices

Appendix A: Joint Committee: Terms of Reference

Appendix B: Management Board: Emerging Draft Terms of Reference.

Background papers:

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I have today decided to take the decisions set out in paragraph 2 above for the reasons set out in paragraph 6.

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Councillor Richard Watts, Leader of the Council

Date: 1 September 2016

Appendix A

Camden/Islington/Haringey Joint Committee Terms of Reference

Establishment of the Joint Committee:

The Joint Committee shall be known as the “Shared ICT and Digital Service Joint Committee”

The Joint Committee is established under section 101(5) of the Local Government Act 1972, as applied by section 9EB of the Local Government Act 2000 and Part 4 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 by the Executives of each of the Councils.

Membership:

1. The Joint Committee shall comprise of six members, two appointed by each of Camden Council, Islington Council and Haringey Council (“the Councils”).
2. One member appointed by each council should be the relevant Cabinet/Executive member responsible for information/digital technology
3. Every member appointed to the Joint Committee shall be a member of the Executive/Cabinet of their council. Should they cease to be a member of the Executive/Cabinet they will cease to be members of this Joint Committee. Political balance rules do not apply.
4. Each Council may nominate substitute Members who must be a member of the respective Executive/Cabinet to attend meetings of the Joint Committee, should an appointed member of the Joint Committee be unavailable or unable to attend a meeting of the Joint Committee. A substitute Member attending in the absence of an appointed member will have full voting rights
5. Each Member of the Joint Committee shall be appointed annually but shall cease to be a member if s/he ceases to be a member of the Council appointing him/her or of its Cabinet/Executive or if removed by the relevant Leader.

Terms of Reference:

The Camden/Islington/Haringey Joint Committee will:

1. Provide democratic oversight over the strategic delivery of the joint digital service (the Joint Service) provided to the Councils through powers delegated to it by their Executives/Cabinets.
2. Approve the strategic service and financial plan for the service and the performance measures to ensure services are delivered to the agreed standard and within the resources provided by the Councils.
3. Receive updates on the Business Plan and the performance of the Joint Service.
4. Agree the procurement strategy for contracts relating to the Joint Service the estimated value of which exceeds £2m revenue or £5m capital and to award such contracts.
5. Suggest revisions to the Terms of Reference of the Camden/Islington/Haringey Joint Committee to be referred back to the Leaders and/or Executive/Cabinet of each of the Council’s for approval.
6. Receive and consider a detailed report, within twelve months of the creation of the Joint Committee [by October 2017] that considers the options for the Shared Digital and ICT Service to be delivered via a public services company rather than a Joint Committee structure and make recommendations to the Cabinet/Executive of each of the Councils in respect of the report.

7. Delegate all matters not specified at 1-6 to the Chief Digital and Information Officer and may delegate any other matters within its terms of reference to an officer of any of the Councils. The Joint Committee shall not delegate a function to or create any Sub-Committees.
8. Notwithstanding delegation of any matters to an officer the Joint Committee may itself make decision on any such matters.

Meetings of the Committee:

1. The Camden/Islington/Haringey Joint Committee will meet at least twice a year.
2. Further meetings may be called by the Head of Paid Service of any of the Councils as required.
3. Meetings of the Joint Committee shall be held at the venue or venues as agreed by the Joint Committee or in respect of meetings called by a Head of Paid Service, at the venue determined by the person calling the meeting.
4. The Joint Committee shall appoint one of its nominated members as Chair and that member shall remain Chair for one year unless he or she ceases to be a Member of the Joint Committee. Each of the Councils shall hold the Chair for one year only and each Council shall hold the Chair in the following sequence (Year 1: London Borough of Camden; Year 2: London Borough of Islington; Year 3: London Borough of Haringey) and so on and so forth unless otherwise agreed between the Parties.
5. A meeting of the Joint Committee shall require a quorum of one Member of each Council who are entitled to attend and vote.
6. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Members of the Joint Committee immediately present and voting thereon. Subject to the provisions of any enactment, in the case of an equality of votes the Chair shall have a second or casting vote but before exercising this, the Chair shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee.
7. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.
8. In its operation and functioning the Joint Committee shall, unless varied within these Terms of Reference, be governed and abide by the Camden Committee procedure rules and standing orders applying to Committees of the Council.
9. Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair
10. Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under paragraph 12.
11. All decisions of the Joint Committee will be deemed Key Decisions.
12. The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A(3) of the Local Government Act 1972 or exempt information as defined in section 100I of the Local Government Act 1972 would be disclosed to them.
13. Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the Joint Committee is subject to call

in by a Council, the Joint Committee and officers shall take no irreversible action to implement that decision until after the call in process is completed.

14. All papers to be considered and/or decided on by the Joint Committee shall be provided to the Committee in electronic format.

Appendix B

Camden/Haringey/Islington Management Board: Terms of Reference: Emerging Draft

Membership

1. The Board shall comprise of no more than ten senior officers, being the Chief Digital and Information Officer and an equal number (three) of officers from both Camden and Islington.
2. The representatives from each council will need to include the relevant Director of Finance plus two senior service representatives from each council.
3. Each representative will be responsible for taking a strategic view of the shared service and act in the broader ICT and digital interests of the two councils.

Terms of Reference

The Camden/Haringey/Islington Management Board will have overall managerial and strategic responsibility for the delivery of the joint digital service provided to Camden, Haringey and Islington. This will include responsibility for:

4. The business strategy, including key service objectives and investment priorities.
5. Ensuring that there are sufficient resources – both financial and non-financial – in place to achieve the service's key priorities and objectives.
6. Monitoring and reporting on the service's performance against agreed metrics on a quarterly basis, taking any corrective action as and when required.
7. Leading on the financial strategy and investment priorities for the service.
8. Overseeing and agreeing the cost and benefit sharing framework, ensuring that it remains fair and appropriate for both organisations.
9. Providing updates on the strategic business plan and performance to the Joint Committee.
10. Overseeing the development of work to ensure that within twelve months of the creation of the Joint Committee [by October 2017], the Joint Committee considers the options for the Shared ICT Service to be delivered via a wholly owned company rather than a Joint Committee structure.