



LATE REPORTS, URGENT BUSINESS and SUPPLEMENTARY INFORMATION

Cabinet

Tuesday, 4 October 2011

The following report was received too late to be included on the main agenda for this meeting and was marked 'to follow'. It is now enclosed, as follows:

Agenda Item Number	Page	Title	Reason for Late Report	Officer Responsible For Late Report
12	1 - 6	SHARED SERVICES - MEMORANDUM OF UNDERSTANDING - APPENDIX	Appendix received after publication of agenda	Chief Executive

MEMORANDUM OF UNDERSTANDING
SHARED SERVICES
BETWEEN
LANCASHIRE COUNTY COUNCIL and LANCASTER CITY COUNCIL

1 Background

- 1.1 Lancashire County Council and Lancaster City Council ("LCC") (each a **"Local Authority"** and together the **"Local Authorities"**) intend to work together in partnership with One Connect Limited, the strategic partnership established between Lancashire County Council and BT to develop and deliver shared Information Communication Technology, Contact Centre and face to face Services outlined in this Memorandum of Understanding ("the **Shared Services**").

2 Key Objectives

- 2.1 Both Local Authorities and the One Connect Limited are fully committed to working together openly and in the spirit of partnership towards a Shared Services Agreement that deliver value for money and economic development benefits for the City of Lancaster and in doing so are fully committed to achieving the proposed Services Start Date. The Local Authorities shall have full regard to the requirements of the Shared Services in their dealings with One Connect Limited.
- 2.2 One of the key aims of this partnership will be to enable LCC to draw on the capacity and expertise within One Connect Limited to assist and work with LCC in the wider improvement and transformation of its services, in line with LCC's Corporate Plans, including medium term resources and financial strategies.

3 Joint Working Arrangements

- 3.1 The Shared Services will be progressed by a joint delivery team (the **"Project Board"**) with officer representatives from each Local Authority and One Connect Limited.
- 3.2 Each Local Authority and One Connect Limited will be responsible for its own approvals via their respective governance and decision making arrangements.

4 Customer Access

4.1 Service Commencement Date and Duration of Contract

The Local Authorities and One Connect Limited are seeking to achieve a services start date from 1 February 2012, for Customer Contact Centre services. ("Services Start Date"), for a period of 9 years and two months. The parties will have the option to extend these arrangements for up to a further five years.

4.2 Service Scope

The Customer Contact Centre shared service will consist of the following elements:

- A service that operates 24x7x365;
- A common telephony platform for the Customer Access shared service; for example Avaya;
- A monitoring service;
- Customer Access staff to be located in Lancashire with effect from 1st July 2012;

- Maintenance of current performance levels;
- LCC's Corporate and Housing Contact Centres.

4.3 The County Council will be moving local Face to Face Services which they currently deliver , across to LCC , to deliver a joined up service provision from 1 February 2012 for a period of 9 years and two months. The parties will have the option to extend these arrangements for up to a further five years.

4.4 The Lancaster Pilot will seek to address how the Local Authorities can work together to deliver a range of services including:

- Telecare;
- Community Alarms;
- Lone Working.

In doing this, the Local Authorities will agree a roadmap outlining the services and target dates for new or revised service delivery . The underlining principle will be how through fully integrated joint working we can improve service delivery to the citizen.

4.5 **Staff Transfer Model**

The model provides for secondment opportunities for 100% of existing permanent LCC staff under a secondment agreement. However If Customer Access and Housing Customer Contact staff do not wish to transfer as a result of Customer Access being located at Lancashire then there will need to be a phased approach to the implementation of the service to ensure skills and knowledge are transferred prior to the Services Start Date. The parties will work together to accommodate LCC staff to be relocated elsewhere within Lancashire through the use of other County Council, LCC and or One Connect Limited facilities and services, natural movements in staffing numbers or by any other means which the parties agree.

4.6 **Location of Service Provision**

The model provides for Customer Access telephony services to be located in Lancashire by 1st July 2012. However it is recognised that as One Connect Limited's business grows it will be necessary for One Connect Limited to consider the relocation of services in consultation with the Local Authorities.

5 **Information Communication Technology ("ICT")**

5.1 **Service Commencement Date and duration of contract**

The Local Authorities and One Connect Limited are seeking to achieve a services start date of 1st February 2012 ("the Service Start Date"), for a period of 9 years and 2 months. The parties will have the option to extend these arrangements for up to a further five years.

5.2 **Service Scope**

The ICT shared service will consist of the following elements:

- The delivery of an ICT managed service to LCC, providing end to end ICT services;
- Integration into One Connect's ICT Shared Services Centre;
- Maintenance of current performance levels as a minimum.

5.3 Location of Service Provision

The model provides for ICT to be located across Lancashire.

However it is recognised that as One Connect Limited's business grows it will be necessary for One Connect Limited to consider the relocation of services in consultation with the Local Authorities.

"Day One" will see the ICT service located within Lancaster as business as usual with the exception of the service desk. Over time it is envisaged that these services will be absorbed into a County wide model. LCC, the County Council and One Connect Limited will work together to make the best use of LCC's ICT resources. This could include: redeployment to working on CLEO; other County Council activities; natural movements in staff numbers or by other means which the parties agree.

5.4 Staff Transfer Model

The model provides for secondment opportunities for 100% of existing permanent LCC staff under a secondment agreement.

6 Other Matters

The Local Authorities and One Connect Limited will work together to support any Regional Growth Support Bid.

7 Resource Implications

7.1 LCC has identified the current annual gross cost of the scope of the in-house services as follows:

- Customer Access Contact Centre Service: to be reviewed and agreed) ;
- ICT: £922,000 (17FTE) (to be reviewed and agreed).

7.2 The arrangement would achieve a cost reduction of [] immediately from the Services Start Date, (including ICT and the cost of staff transferring) with a further cost reduction on customer access and ICT of [] % with effect from 1st April 2013.

7.3 The detailed cost reduction strategy beyond this will be subject to further discussion prior to the Services Start Date.

7.4 One Connect Limited will also confirm the key investments required to deliver efficiency improvements and to provide scalable platforms for the Shared Service Centre. However One Connect Limited will work on the basis that no upfront investments will be required from the Local Authorities.

7.5 It is critical that service excellence is the overriding consideration alongside continuous improvement. One Connect Limited will assist LCC in developing and delivering its broader council wide service improvement programme.

8 Dispute Resolution

8.1 Where a dispute, conflict or issue arises which cannot be resolved by the Project Board, then the dispute, conflict or issue shall be escalated to the Chief Executives of the Local Authorities for final resolution.

9 General

9.1 This MoU has been prepared to support the Local Authorities and One Connect Limited working in partnership towards a formal agreement to deliver the Shared Services. Whilst not legally binding it demonstrates the Local Authorities and One Connect Limited's support for this project and documents the joint working arrangements in place. Unless there is a material change in the principal deliverables for the Shared Services set out in the MoU, the Local Authorities and One Connect Limited confirm their commitment to proceeding with this Shared Services project.

10. Next Steps

10.1 MOU will be signed by Friday 23rd September 2011.

10.2 The County Council will provide LCC with drafts of the Secondment Agreement, Shared Services Agreement, and Service Schedules for Customer Contact Centre, Face to Face and ICT by no later than 30th October 2011.

10.3 All negotiation will be concluded by the 30th November 2011.

Signed by:

Signed by:

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Chief Executive
on behalf of Lancashire County Council

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Chief Executive on behalf of Lancaster
City Council

Date:.....2011

Date:.....2011