

Refreshing the Partnership: Service Birmingham



A report from Overview & Scrutiny



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Reports that have been submitted to Council can be downloaded from www.birmingham.gov.uk/scrutiny.

Preface

By Cllr Waseem Zaffar MBE, Chair Corporate Governance Committee

I am pleased to present this report to the City Council as it falls within the area of my committee's remit. The Service Birmingham partnership since its inception in 2006 – has delivered controversy as well as a massive contribution to the delivery of services to citizens. It is my hope that the benefits of the partnership are maximised and that there will be real improvements.

However, I cannot take the credit – this is the work of the various committees, the Governance, Resources and Contract Performance and Third Sector O&S Committees. I would like to thank Councillor Carl Rice for his hard work, insight and knowledge in bringing this inquiry forward, particularly like to thank Councillor Carl Rice for his hard work and inquiry.

I welcome the commitment on all sides to reform the partnership and suggestions as to how to take this opportunity to make the partnership work some clear parameters as to how success will be measured.

As I begin my term of office as Chair of the Corporate Governance Committee, I am continuing the good work started by this inquiry and will make recommendations later in the municipal year.





Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01	<p>a) That the mission statement, objectives and principles of the partnership are renewed, to ensure proper account is taken of</p> <ul style="list-style-type: none">x Financial challenge;x Council's changing role and relationships. <p>b) That an operational plan for Service Birmingham is produced to evidence a strategic approach, including how the City Council's expectations of Service Birmingham as its ICT department will be met, show clear</p>	Deputy Leader Service Birmingham	November 2015
	<p>c) That these are reviewed annually to ensure they remain relevant and aligned with corporate objectives.</p>		
R02	<p>That Service Birmingham are invited and encouraged to attend relevant senior BCC management meetings both at a corporate and directorate level. (It is accepted that there may be occasions when the Council has to exclude SB from meetings due to (for example) commercial confidentiality).</p>	Deputy Leader Service Birmingham	November 2015
R03	<p>That the options for a "day in the life" initiative between Service Birmingham and relevant City Council departments are explored.</p>	Deputy Leader Service Birmingham	November 2015

	Recommendation	Responsibility	Completion Date
R05	That a City Council user group is set up to test how things are working in the service areas and feedback experiences, perhaps chaired by a councillor.	Deputy Leader Service Birmingham	November 2015
R06	That communications from Service Birmingham and the City Council to all staff and members are examined and improved, with an emphasis on transparency wherever possible. This should include consideration of: <ul style="list-style-type: none"> x Sharing information about the contract (BCC); x Transparency on costs and charging wherever possible (Service Birmingham and BCC); x Alerting City Council officers when specific issues arise that have an impact on Service Birmingham's ability to deliver services or projects (Service Birmingham). 	Deputy Leader Service Birmingham	November 2015

R07 a) That a set of indicators (including relationship indicators) are agreed with Service

1 Introduction

1.1 Purpose of the Inquiry

1.1.1 In 2006, the City Council entered into a partnership with Capita Business Services Limited and a new partnership was created – Service Birmingham Ltd. There were two main elements to the agreement:

- x To provide ICT services to the City Council;
- x To provide Business Transformation Services to the City Council.

1.1.2 Since 2006, there have been a number of changes to the contract, and significant change to the context in which the partnership operates. Most recently, a sixth set of contract negotiations have concluded, and both partners are now looking forward to how the benefits can be realised.

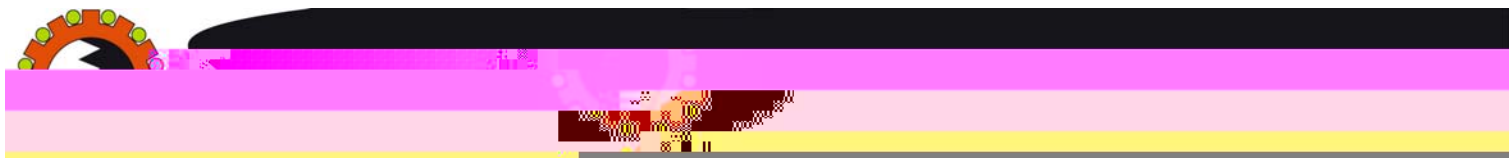
1.1.3 The Governance, Resources and Customer Services Overview & Scrutiny (O&S) Committee and the Partnership, Contract Performance and Third Sector O&S Committee agreed to undertake a joint inquiry to support the realisation of those benefits by examining how the partnership was working.

1.1.4 The purpose of this inquiry was two-fold:

a.



x Dave Baxter, Deputy Chief Executive, Service Birmingham;






- 2.2.2 The Strategic Partnership Agreement defines partnership objectives, principles and values – which were agreed in 2006 at the start of the partnership. The objectives of the Partnership, at the highest level, are to:
- x Support and assist the Council in its delivery of the Council's Corporate Plan;
 - x Make step-change improvements in the economy, efficiency and effectiveness of the Council's delivery of its functions;
 - x Help the Council become a 'world class' provider of public services;
 - x Deliver an excellent ICT service to support the Council's delivery of services;
 - x Support economic development in Birmingham.
- 2.2.3 The partnership principles are set out in Appendix 1.
- 2.2.4 The Service Birmingham joint partnership objectives are set by both partners and the Chief Executive of Service Birmingham is legally responsible for achieving these.

2.3 Responsibilities within the Contract

- 2.3.1 The division of responsibility within the contract is as follows:
- x Service Birmingham:
 - | Responsible for delivering ICT Core services (the support and maintenance of all BCC ICT applications, telephony and associated services) – Service Birmingham has exclusivity over these services;
 - | Projects (i.e. new ICT developments), these are not included in core contract costs and are not an exclusive part of the contract – Service Birmingham does not have exclusivity over this element, but the City Council has to be aware of where the exclusive elements of the core contract interact with the core exclusive elements (sometimes described as Service Birmingham being responsible for "plug in and play").
 - x The City Council:
 - | Responsible for setting standards and policies for its ICT operations e.g. security;
 - | Responsible for managing its ownership of all its ICT assets (from applications to mobile phones). This would include closing down access and changes of use from staff leaving etc.
- 2.3.2 The City Council's ICT assets comprise several different elements:
- x The network and underlying infrastructure platforms that support the application estate (e.g. shared servers, storage, connectivity solutions, wireless and wired networks);
 - x Corporate applications and services such as Microsoft Outlook, SAP, telephony, operating systems licences, corporate security solutions;

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- x Major applications used across the City Council but not by all services, e.g. eRecords, SharePoint, NetMotion;
 - x Major applications core to delivery of individual services, e.g. Carefirst, Northgate Housing, Northgate M3PPS, RBIS;
 - x Several hundred smaller applications used within service areas to deliver specific functionality.

3 Repairing the Relationship

3.1 Getting Back on Track

3.1.1 As outlined in the previous chapter, the contract negotiations have concluded and the variations to the contract are now agreed. The inquiry therefore did not consider these, but looked beyond the contractual requirements to how the benefits are realised – and key to this is the relationship between the two partners.

3.1.2 The need to “do things differently” had been identified before the start of the inquiry, as both parties recognised that the relationship had become very contractual, with a number of disagreements and disputes. Partly, this was seen to be the result of a loss of common purpose. Both sides acknowledged that initially the partnership arrangements had a common understanding of purpose and direction, and it helped transform the services the City Council was delivering. However after that period, the relationship moved to a more contractual arrangement:

“Partnership working is about understanding the objectives of both parties and working together to agree and then achieve **joint objectives**. The Partnership was originally established with Capita with this strong sense of purpose and shared objectives from the advent of the Business Transformation Programme. The Council and Capita’s Partnership in Service Birmingham has gone through a period where the commercial contract arrangements predominated and this has created mistrust and less attention has been made of ensuring that the two organisations are aligned”.³

3.1.3 Members were encouraged to hear the Deputy Leader, the City Council’s Chief Executive and Service Birmingham’s new Chief Executive emphasise the importance of partnership and having a shared interpretation of that. They stated a clear intention to move back to a partnership ethos, so that it permeates both organisations and shapes behaviour. The Deputy Leader stated that it was his aim for both officers and members of the City Council to see Service Birmingham as the City Council’s “IT department” – rather than a separate entity to the City Council – and the Service Birmingham Chief Executive agreed. There perhap

3.1.5 The Committees therefore explored what was needed to ensure this vision was realised.

3.1.6 The evidence suggested that, fundamentally, it is about addressing the historic mistrust that has grown up between the partners over the years. Trust and confidence must be built back into the relationship. There are a number of ways in which that can be done, and these are considered below:

- x Ensuring that there is a mutual understanding of the partners' aims;
- x Greater transparency – of costs (including assurance and visibility on third party costs), of what is in the contract and how Service Birmingham works;
- x Having common goals within a clear governance framework;
- x Working together more closely.

3.2 Addressing Historic Mistrust

Mutual Understanding of City Council and Capita Aims

3.2.1 To ensure we have a true partnership, the aims and objectives of Capita and the City Council need to be understood and acknowledged by the other.

3.2.2 There has clearly been a perception – from members, the public and the press – that Capita see the Service Birmingham joint venture as a means to make money. At our evidence gathering session, the Service Birmingham representatives acknowledged this perception, and that Capita does share in the profits made by Service Birmingham (as does the City Council). However they emphasised that Capita views its partnership with the City Council as its highest profile and largest local government partnership in the UK and that the relationship is of enormous importance:

Capita is proud of its partnership with BCC and wants to be a valued partner in delivering the high expectations the people of Birmingham have for their council... Capita views its partnership with the City as its highest profile and largest local government partnership in the UK. ⁴


3.2.3 They agreed that Capita and Service Birmingham need to recognise the City Council's need to meet service requirements and provide the best possible service for citizens, as well as the seriousness of the City Council's financial position and its need to make savings.

“Capita wishes to support the council to address the challenges of revenue reductions, increasing customer expectations and demands resulting from demographic change”. ⁵



Refreshing the Partnership: Service Birmingham

- 3.2.4 Equally, councillors and officers – and the public – need to recognise that the partnership is a commercial one, not a social enterprise, a public sector mutual, or a charity, and therefore making a return on investment is intrinsic to the partnership.
- 3.2.5 It was noted during the meeting that none of th

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- 3.2.11 This is being addressed – for example there was a Councillors briefing session on Tuesday 14th April provided by Service Birmingham, which offered members information on security awareness, passwords, Public Sector Network compliance and cyber-attacks. However, communication should continue to be considered and improved.
- 3.2.12 Equally, there must be understanding from Service Birmingham on the pressures faced by the City Council, and the imperative to provide services whilst meeting required budget reductions.

Greater Transparency

- 3.2.13 Another area to be addressed to rebuild trust an



- x The development of a protocol to ensure the City Council maximises the opportunities to use the market to compete against Service Birmingham for the development and delivery of projects to demonstrate value for money (part of the ICT Improvement Programme – see Chapter 4);
 - x The appointment of a private sector ICT partner to act as a “critical friend” to the City Council for a two to three year period, to check, challenge and ensure value for money, including peer review of services (set out in the Future Operating Model – see Chapter 4).
- 3.2.19 Committee members were again encouraged to hear the actions in place to increase transparency. However, again the message needs to be disseminated to a wider audience.
- 3.2.20 Part of this is about transparency in quotations for new projects. Members were told that quotations are produced against business requirements specified by the Service Areas and may typically include the following elements:
- x Third party costs from application vendors (e.g. Northgate, OLM, etc.) for work required to provide or enhance applications. Where possible and relevant, Service Birmingham seeks quotations from a number of third parties to ensure value for money.
 - x Infrastructure including hardware (e.g. servers, desktops, laptops, etc.) and voice/data networks. Service Birmingham typically compete many of these costs every few years to ensure value for money;
 - x An estimate of the resources required within Service Birmingham to deliver the project (e.g. Project Management, Technical Resources, Testing resources, etc.). An outline design and plan is put together for the solution against which the relevant teams estimate how much effort is required to deliver it.
- 3.2.21 Alongside this, the Council needs to improve its approach to commissioning such work, including developing business case writing skills.
- 3.2.22 Trust and confidence depends on transparency of charging to give assurance that costs are reasonable.

Common Goals

- 3.2.23 A recurring view from our witnesses was that the Service Birmingham partnership had started off on the right track because the requirements of business transformation – the outcomes – had been defined at the start and there was a common understanding (at least amongst those involved) of what the partnership was trying to achieve.
- 3.2.24 The mission statements, objectives and principles (set out in section 2.2) were agreed in 2006, at the start of the partnership. There was some views submitted to the committees that these should be refreshed – particularly as the emphasis on Business Transformation has now passed. The Committee agrees with this, and this is picked up in the Conclusions and Recommendations chapter.

3.2.25 Equally important is that the City Council is clear about its requirements and expectations – hence the development of the City Council's ICT Strategy and Improvement Programme; these are discussed in Chapter 4. That the City Council has a clear plan for its ICT is just as vital to the success of the partnership – as Committee Members were told: a better informed and more capable client provides for a stronger partnership.

Clear Governance Structures

3.2.26 Committee members also heard that governance arrangements have been refreshed and strengthened:

- x Strategic Partnership Board (SPB) – sometimes



“True partnership working is about the day to day ‘bump and grind’ of operating the relationship; how both parties try and find solutions to simple everyday problems; being truthful with one another in issues that arise; resisting the urge to fall into one-up-man-ship behaviour when misunderstandings arise; accepting that genuine mistakes and genuine misunderstandings happen and focusing energies on (a) preventing the same mistake repeating itself, (b) rewarding people putting their heads above the parapet to try new initiatives whether they succeed or fail, and (c) learning from mishaps, committing to a lessons learned culture and rewarding behavioural change as a result.”

- 3.2.30 Both the City Council and Service Birmingham expressed their willingness to work closely on a day to day basis.
- 3.2.31 A number of examples of what “closer working” should look like were discussed at the evidence gathering session:
- x The Service Birmingham Chief Executive and other senior officers being treated as a member of the City Council’s senior leadership team and seen as a department of the City Council. The Deputy Leader and City Council Chief Executive have extended an invitation for the Service Birmingham Chief Executive to join the Executive Management Team; and the Deputy Chief Executive of Service Birmingham attends the ICT Programme Board;
 - x Addressing the disadvantages of geography: the Service Birmingham’s current offices, B1, are some way from the City Council offices, though they are due to move in the summer of 2015. There should be more physically closer working, and this should include councillors visiting B1, taking a walk round and talking to staff – some of whom are, it should not be forgotten, still City Council employees;
 - x Practical examples of working together – for example on business cases which articulate and then deliver benefits which can be clearly evidenced. Firstly, the City Council needs to improve business case writing skills for officers, but also that those officers need to engage with Service Birmingham at the appropriate time, so that it is early enough to ensure business requirements are clearly understood, and that they can develop a project and engage the market. At the meeting, an offer was made by Service Birmingham Chief Executive to put on workshops on business cases. Improving collaborative working here will drive trust and minimise wasted effort. There are good examples of successful projects (e.g. green waste project that went live on the day of the second evidence gathering session – this started in December and moved very fast, but was successful because both sides worked together).
- 3.2.32 A further idea would be to emulate the “day in the life” initiative that the One Contact Programme (the programme for bringing the contact centre in-house) is using to enable staff in the contact centre to spend time working in service areas to help understand customer issues. This may be more complex with regards to Service Birmingham, but those working on projects or on core ICT,

4 The City Council's Role


4.1 Partnership Obligations

- 4.1.1 The previous chapter focused on the partnership as a whole, but as one half of that partnership, the City Council must ensure that it is both doing its part and also seeing the benefits realised as savings are delivered and services to citizens are improved.
- 4.1.2 This chapter therefore looks at how the City Council will deliver its partnership obligations. Primarily this means the agreement and implementation of a clear and transparent ICT Strategy, with clear and transparent governance arrangements in place to deliver that strategy. However, it is also about the relationship with Service Birmingham and ensuring that the City Council is reflecting the right behaviour and attitude at all levels of the organisation.
- 4.1.3 Finally, the actions in place to achieve the cost reduction proposals are considered.

4.2 A City Council ICT Strategy

The Need for a New Strategy

- 4.2.1 As noted in section 2.3 above, one of the City Council's responsibilities under the contract is to set standards and policies for

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- x Reflect the growing need for transparency and openness of data, to make readily available council data and information to businesses and ci

The Future Operating Model

4.2.8 The Future Operating Model (FOM) recognises the need to rebuild the City Council's ICT capabilities, as the majority of the City Council's formal ICT skills have transferred to Service Birmingham. Coupled with the loss of key City Council personnel, this has "weakened the Council's ability to manage and control its ICT destiny and costs".⁸

4.2.9 It also recognises that:

- x Directorate spending on project areas needs to be more strongly driven by a clear ICT strategy and opportunities for economies of scale;
- x There is a need for directorates to be managed and supported with clear direction in relation to IT management and development to ensure that business cases are strong with clear benefits and the impact on the corporate ICT estate is considered in each commissioning decision.

4.2.10 There are three priorities in the FOM:

- x Priority 1 Short term solutions: Technical and financial control (Sept 2014 – Sept 2015); including:
 - | Produce annual ICT investment plan and projects profile for Service Birmingham to cost and the City Council to benchmark and take external independent advice;
 - | Commence establishing skills and capability to develop business cases, business analysis, technical architecture, ICT project management;
 - | Develop and implement a communications and training plan for members and officers that clarifies the operation of the Service Birmingham contract and raises commercial awareness across the organisations.
- x Priority 2 Medium term solutions: Developing skills and capacity (Sept 2015 – Sept 2016); including:
 - | Develop a training programme for key staff across BCC based on ICT skills based on 3 key themes of Knowledge, Advisory and Expert;
 - | Transfer certain ICT staff back to BCC control from SB to replace the critical friend support in priority 1;
 - | Transfer SB service areas back to BCC to run where beneficial and contractually allowable.
 - | Develop a procurement policy for ICT project that takes account of the retendering timetable.
- x Priority 3: Preparing for the future (Sept 2016 – Sept 2017); including:

⁸ Council ICT Strategy and Future Developments, paper submitted to Governance, Resources and Customer Services O&S Committee, February 2015

- | Preparation for contract termination;
- | Programme of market engagement and consultation to inform, prepare and support the tender strategy;
- | Development of tender strategy;
- | Structure the resources into a client based IT service;
- | Determine City Council future ICT requirements and approach.

Seven Year Investment Plan

- 4.2.11 There will also be a seven year vision to guide investment, which will incorporate:
- x Corporate Infrastructure needs;
 - x Directorate strategies and investment plans from People, Place and Economy;
 - x Investment needs and review of applications such as SAP (in the case of SAP a review of future solutions for the main corporate functionalities provided by the SAP system has begun and a draft strategy is being prepared).

4.3 City Council ICT Governance

- 4.3.1 The new ICT strategy will be supported by governance arrangements incorporating member and officer involvement. The key aims are that:
- x Directorates are able to feed any problems or proposals to the Programme Board, and to allow key messages to be disseminated across the organisation;
 - x There are defined measures of how this will work, and ensure that this is cascaded down; with a centre-led model that will drive and police the approach, but with directorate accountability;
 - x Roles are understood by all, again to ensure clear accountability.
- 4.3.2 All requests for new projects over £200k now have to go through the ICT Programme Board to ensure that any new projects are aligned with City Council priorities and IT infrastructure.

ICT Programme Board

- 4.3.3 The ICT Programme Board remit includes approval of ICT Strategy; review, progress and realisation of innovation and savings initiatives; approve Corporate Investment Plan and Strategy and review of Directorate Investment Plans and Strategies; overview and approval of new ICT spend over £200k; and escalation point for ICT Strategy Group and non-compliance areas.
- 4.3.4 Membership comprises: Deputy Leader (Chair); Deputy Chief Executive, officers from ICF, ICT Directorate Leads; Finance; Customer Services; Service Birmingham; plus an external advisor (to be appointed).

Figure 2: Governance Model

ICT Corporate Strategy Group

- 4.3.5 The remit of this group includes development of corporate ICT strategy for approval; development, review and alignment of the ICT strategy; overview and prioritisation of all cross council ICT projects and approval/rejection up to £200k; escalation point for ICT Directorate Groups; reporting ICT spend and performance, partnership and relationship development; and to seek challenge and innovation.
- 4.3.6 Membership will include officers from the ICF, finance, corporate strategy and Service Birmingham, plus an external advisor to the City Council (to be appointed).

Directorate ICT Strategy Groups

- 4.3.7 Directorate ICT Strategy Group remit includes Directorate ICT strategy; Directorate ICT investment plan; innovation & savings initiatives development; alignment to City Council to ervid.2(k)-4.9(S 0 T

Directorate Procurement and ICT Operational Groups

- 4.3.9 The remit of these groups includes asset ownership; Operational ICT: issues / performance Management; compliance to IT processes / policies - remove corporate disobedience; Starters, Leavers and Movers (staff); procurement of ICT.
- 4.3.10 Membership to be agreed, but to include Service Birmingham, Service Delivery Managers and officers from the City Council's ICF function.

Intelligent Client Function

- 4.3.11 Within the Economy Directorate, the Intelligent Client Function (ICF) manages the Service Birmingham contract. Having a robust ICF is crucial in maintaining trust and confidence in the contract and the partnership. Their role is to challenge Service Birmingham, for example that on-going support costs are appropriate.

- x That officers across the City Council are receptive to this challenge and understand that the “100%” fit may not be affordable, and the “80%” fit – if cheaper – is good enough;

4.4.3 There need to be conversations and good practice within directorates to make this happen.

4.5 Cost Reduction Proposals

4.5.1 Committee members also considered the cost reduction proposals which flowed from the contract variation. Some of these have already been touched on; others are contained within the ICT Improvement Plan, set out above. There are a number of projects covered here, for example the rationalisation of applications used.

4.5.2 The City Council and Service Birmingham have jointly commissioned Atos to undertake a review of the application estate and establish applications that could be candidates for rationalisation or decommissioning to ensure that what we have is both used and necessary, and to check whether there are charges being made for applications that are no longer in use. They will then work with the City Council through the ICF and each affected directorate to determine the benefit associated with the rationalisation.

4.5.3 Each rationalisation will be identified as a fund

| Not bespoke requirements unless it can be justified for business critical reasons as this adds additional cost at implementation and often significantly greater costs over the lifecycle of the application.

x Ensuring all projects meet service need and do not replicate projects or applications already in existence. There is a corporate approval process for projects over £200,000; below that directorates must approve and therefore need a process to give visibility to projects, to see if other directorates have similar projects/ needs; or to use market testing as this has not been used much in the past.

4.5.5 However there is currently little incentive to do this. Currently, a budget is allocated annually to each Directorate by Corporate Finance, to cover the Core ICT payments. This figure is calculated by taking the total ICT charge and deducting any ongoing support charges for core plus, that are paid through monthly recharges.

4.5.6 In simplistic terms, Corporate Finance allocates a budget to Directorates that matches their core ICT charge. Additional charges therefore need to be funded by Directorates, as these are charged through the monthly invoice process. However, it also means that if directorates rationalise their ICT or make savings, they do not directly benefit, as the overall allocation is simply reduced.

4.5.7 Another element is to ensure that the impact of staff reductions is reflected in the overall costs. The contract allows for some variability on charges, although some costs are fixed (i.e. the same regardless of the number of users). The contract requires the Council to advise Service Birmingham the volume of their forecast ICT user changes twice a year. Any individual directorate which does not provide their forecast by the required date may encounter a six month delay to any reduction in the overall costs to the City Council – though not necessarily their own budget.

5 Developing the Relationship

5.1 The Future

5.1.1 Whilst much of the focus of the inquiry was on ensuring that the relationship is on the right footing to achieve the aims and objectives of the partnership, Committee members also considered evidence on how the Service Birmingham relationship should develop over the remaining six years of the partnership, and in particular how that development should support the future needs of the City Council.

5.1.2 Broadly there were three elements to this:

- x Working together to ensure that technology is seen as an enabler across the organisation;
- x Making the most of the expertise on offer in the partnership;
- x The role of the joint venture.

5.2 Technology as an Enabler

5.2.1 A recurring theme through the evidence gathering was that, in some areas, the City Council may have lost sight of how technology can enable both improvements and cost savings. Understandably, there has to be a focus on cost and delivering the best that is affordable. However, our witnesses emphasised that the role of technology as an enabler should be more widely recognised and understood by service managers, so that choices are not always driven by what is cheapest, or by “like for like” replacements, but that the project overall delivers improvements and savings.

5.2.2 This should be picked up by the training programme for key staff, outlined in priority 2 of the future operating model (section 4.2).

5.3 Making the Most of the Expertise

5.3.1 To realise this requires expertise – technological change is rapid and continuing, so those making decisions need the capability to understand and exploit developments in ICT, the benefits of system/data integration and how changing ICT delivery models can deliver value to the organisation.

5.3.2 It was suggested that the City Council should better understand and make use of the wider knowledge and expertise held by Service Birmingham and Capita: both could make a contribution to addressing and solving the challenges and problems the authority is facing. Capita has expressed a willingness to work with the City Council in this way.





Refreshing the Partnership: Service Birmingham





6 Conclusions and Recommendations

6.1 Trust and Confidence

To rebuild and deliver strong partnership working, trust and confidence must underpin all we do at all levels from Member and senior management



Refreshing the Partnership: Service Birmingham





	Recommendation	Responsibility	Completion Date
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Refreshing the Partnership: Service Birmingham

6.2.10



6.3 Measuring Success

6.3.1 Committee members were keen to work with both Service Birmingham and City Council officers to set out what success would look like – how will we know that the relationship is back on track and working as it should? From the discussions, a range of both “hard” and “soft” measures were identified.

6.3.2 The “hard” measures will encompass those milestones and outcomes resulting from the plans mentioned above, as well as existing measures on the functioning of the contract. Further proposals put forward at the Committee meetings included:

- x Savings achieved;
- x Fewer contractual disputes between the parties;
- x External recognition/awards for how the City Council uses ICT to improve services;
- x

x More proactivity from Service Birmingham to highlight things the City Council could do better.

- 6.3.4 A set of “relationship indicators” could therefore be developed, although practically, measuring these will be more challenging. One option is to use the surveys that Service Birmingham have, with new questions to reflect some of the issues above.
- 6.3.5 Broadly, the evidence would be of a happier work force; that officers feel they have a better understanding of the contract, the relationship, why decisions are made and that they have greater visibility and control of their ICT landscape. There is a proposal to reintroduce City Council staff surveys, which could incorporate questions to capture this.
- 6.3.6 A further measure could be around the proactive bring forward of ideas. For Service Birmingham this would be about bringing forward innovative ideas to help the City Council achieve its goals. For the City Council this would be about bringing forward ideas to reduce ICT charges, reduce demand or make savings in other ways.
- 6.3.7 Working together also involves sharing expertise. At the evidence gathering meeting, an offer was made by Service Birmingham Chief Executive to put on workshops on business cases for City Council staff. This would be another good indication of joint working.
- 6.3.8 Both sets of measures will ensure that the partnership should be measured against its contribution to achieving the BCC corporate objectives of, for example, how ICT in the Council is benefitting citizens, its contribution to reducing administrative burden for front line staff and providing more and effective manager and staff self-service.

	Recommendation	Responsibility	Completion Date
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R07

6.4.2 However, one idea that members would like to put forward is that the way ICT budgets are allocated is changed. Currently, Corporate Finance allocates a budget to directorates that matches their core ICT charge. This means that if directorates rationalise their ICT or make savings, they do not directly benefit, as the overall allocation is simply reduced. If directorates had control of the ICT budget, and were able to make use of any savings, then there would be more incentive to do so.

6.5 Maximising the Joint Venture

6.5.1 Committee members also discussed the joint venture and the selling of services. This was one of the reasons for setting up the joint venture (rather than having a more conventional contractual relationship) but has not occurred beyond school contracts.

6.5.2 However, one of the reasons for framing the partnership as a joint venture was that the business could then sell on its services to other public sector bodies. This should be explored and pursued further.

	Recommendation	Responsibility	Completion Date
R08	That options for Service Birmingham to sell its services more widely are explored and reported back to the Corporate Resources O&S Committee.	Deputy Leader Service Birmingham	November 2015

6.6 Role of Overview & Scrutiny

6.6.1 Committee members agreed that the recommendations set out above should be reviewed nine months after the evidence gathering in February.

	Recommendation	Responsibility	Completion Date
R09	Progress towards achievement of these recommendations should be reported to the Corporate Resources Overview and Scrutiny Committee no later than November 2015. Subsequent progress reports will be scheduled by the Committee thereafter, until all recommendations are implemented. The report back should include a report from the user group.	Deputy Leader	November 2015



Appendix 1: Partnership Principles and Value

Principles

The purpose of the Partnership is to bring together and exploit the skills, expertise and resources of both partners to support the delivery of the Partnership Objectives.

1. Allow each party to 'play to its strengths' – jointly contributing the necessary resources to ensure the success of the Partnership;
2. Establish its own unique culture: drawing on and adopting the most beneficial aspects of each party's existing culture – and rejecting those aspects which get in the way of success;
3. Implement a unified management structure within Service Birmingham with joint representation – operating seamlessly to deliver agreed outcomes;
4. Establish a working environment at every level within Service Birmingham which is non-bureaucratic, customer focused, and which actively encourages professional excellence and service improvement.

Values

The parties shall encourage Service Birmingham, and the