

PART A

Report to: Audit Committee
Date of meeting: 27th June 2012
Report of: Head of Strategic Finance
Title: ICT Shared Services Update

1.0 **SUMMARY**

1.1 This report is a very short response to the Grant Thornton attached report.

2.0 **RECOMMENDATIONS**

2.1 That the Committee considers this report in conjunction with the Grant Thornton ICT Shared Services update.

Contact Officer:

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3.0 **Detail**

This report responds to the attached Grant Thornton report.

3.1 The closing date for return of tender submissions has been extended until 9th July. This was at the request of a number of potential interested companies and was agreed because it is important that both councils obtain as comprehensive selection field as possible. The evaluation process will commence immediately after that date.

3.2 The evaluation team has been chosen and comprises 10 officers from both councils and will be split into three component parts:

- service delivery (40% score ranking)
- price (30% score ranking)
- ICT platform (30% score ranking)

3.3 A few officers will be involved in all three parts. The project will be co-ordinated by the Head of Strategic Finance from Watford. The Head of ICT is due to return to work on 25th June and will play a major part in the evaluation exercise along with a consultant from Actica (the ICT advisers to this contract).

3.4 The recommendation from the evaluation panel will be considered by the Shared Services Joint Committee on 23rd September. Whilst deadlines appear tight, a degree of due diligence has already commenced whereby all interested potential outsource companies have had a series of meetings with the Procurement Officer and the ICT Business Manager. In reality this is not a big contract for all parties to obtain due comfort. A target date of 1st April (at the latest) is not unrealistic.

3.5 All issues within the Risk management section of the report have either been dealt with or are actively being considered. The length of the contract is a primary period of 5 years with an option for both councils of a further 2 years. The contract is extremely detailed and includes performance targets and penalty processes. All members of the Shared Service Joint Committee have received a complete set of tender documents which were discussed at the Joint Committee Meeting on 28th May 2012.

4.0 **IMPLICATIONS**

4.1 **Financial Issues**

The Head of Strategic Finance comments that there are no financial implications arising directly out of this report.

4.2 **Legal Issues** (Monitoring Officer)

The Head of Legal and Property Services comments that there are no legal implications arising directly out of this report.

4.3 **Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
That no tenders are received (an extension of time has tried to reduce this risk)	2	4	8
That all tenders exceed current in house cost of the service	2	4	8
That finalisation of contract slips beyond 1 st April 2013	2	2	4

4.4 **Staffing and Equalities**

None Directly

4.5 **Accommodation**

None Directly

Attachment: External Audit 2011/12 – ICT Shared Services Update