

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2204

Title: London Legacy Development Corporation Shared Technology Service

Executive Summary:

This report seeks the Mayor's approval for the Greater London Authority (GLA) to enter into a Shared Service arrangement with the London Legacy Development Corporation (LLDC) under which the GLA will provide technology services to the LLDC. This will result in the creation of three new GLA staff the Technology Group. The new shared service is proposed to be in place in June 2018 and will be reviewed annually.

Decision:

That the Mayor:

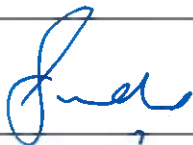
1. Approves the GLA's entry into a shared service arrangement, under section 401A of the Greater London Authority Act 1999, with the LLDC for the provision of technology services on a cost recovery basis. The estimated cost for the first year is £600,000.
2. Delegates authority to the Executive Director of Resources to prepare, finalise and subsequently execute on behalf of the GLA documentation putting into place the arrangements under section 401A.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

12/1/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 The Greater London Authority (GLA) and the London Legacy Development Corporation (LLDC) have been examining the feasibility of the GLA Technology Group (TG), taking on the management and provision of all LLDC IT services from June 2018.
- 1.2 The LLDC currently uses a private company to provide these services. This contract will expire in June 2018. Following market testing by the LLDC it was assessed that savings would be made by the GLA Technology Group providing a full range of IT Services to the LLDC instead of them retendering their technology services contract. These services will include: support and maintenance of all equipment and systems used by the LLDC along with ancillary services such as business analysis, project management, asset management, capacity management and consultancy services.
- 1.3 A detailed assessment of the costs of providing the service to the LLDC has been produced. It includes the provision of three new posts required to assist in the delivery of the service. These posts will spend most of their time at the LLDC Offices in Stratford.
- 1.4 The GLA has a well-established technology service and can provide a shared-services to the LLDC, it already provides technology services for MOPAC and the OPDC
- 1.5 The LLDC will benefit from a range of services that the GLA is currently putting in place to support cloud based services – allowing the LLDC to accelerate their move towards enhanced flexible working for their staff. They will be able to access resilient cloud based services over a new, resilient wide area network that is being commissioned by the GLA.
- 1.6 It is anticipated that the expertise that the GLA will offer will enable more effective management of the LLDC's systems and infrastructure as part of a larger team that brings with it economies of scale and greater breadth and depth of experience. This may result in further cost reductions over time.
- 1.7 The Posts to be created are: Senior Support Officer (Grade 7), Support Officer (Grade 6) and Business Partner (Grade 7). The total cost of this is approximately £135K per year and will be included within the annual charge that LLDC will make to the GLA to meet the cost of the service.
- 1.8 The cost of the IT Service to the LLDC will be £600K per year (this is the cost of delivering the service – there is no “mark-up”), as a result the shared service will deliver an annual saving in the region of £200K and will ensure that spending is kept within the GLA Group.
- 1.9 The GLA and LLDC have similar IT estates and similar IT strategies enhancing the opportunities for continued collaboration.
- 1.10 In accordance with normal practice, the GLA and the LLDC will enter into a Working Arrangement and Arrangement for Delegation document to cover the services to be provided.
- 1.11 The shared service arrangement would commence 14 June 2018, subject to the approval of this MD. It will be reviewed annually and can be terminated by either party.
- 1.12 The London Assembly (through its GLA Oversight Committee) was formally consulted on the above proposal on 23 November 2017. The Committee fully endorsed the proposal.

2. Objectives and expected outcomes

- 2.1 The primary objective is to create a shared technology service whereby the GLA will provide a service to the LLDC because the greater depth and pool of resource at the GLA is expected to result in cost savings and efficiencies in the long term.

3. Equality comments

- 3.1 The matters that the Mayor is asked to provide consent for do not raise any equality issues and are consistent with the Mayor's duties under section 149 of the Equality Act 2010.

4. Other considerations

- 4.1 This works supports the work of the GLA by delivering budget savings for the GLA Group and contributes towards the drive towards the greater sharing of services.
- 4.2 The LLDC have looked at the potential staffing liability implications of the GLA's provision of the services and are satisfied that no existing employees of its current IT services supplier are affected. The GLA will continue to work with LLDC in this regard and is also seeking to confirm whether there is any indemnity from the current IT services provider to cover any risk of a claim unexpectedly arising.
- 4.3 The creation of the shared service will require the creation of three new GLA posts to support the delivery of the new service. The positions to be created are follows:

Position Title	Grade
1 x Senior Support Officer	7
1 x Support Officer	6
1 x Business Partner	7

5. Financial comments

- 5.1 This report sets out a proposal to enter into a shared services arrangement between the Greater London Authority (GLA) and the London Legacy Development Corporation (LLDC), whereupon the GLA will provide information technology services to LLDC. As a result of entering into a shared services arrangement with LLDC, there will be creation of three permanent posts in the GLA Technology Group.
- 5.2 The costs of these posts are £136,000 (including on-costs and corporate vacancy factor) per annum and will be contained from the annual charge of £600,000 received from LLDC. A summary is provided below:

Position Title	Position FTE	Grade	Net Budget (£)
Senior Support Officer	1	7	51,000
Support Officer	1	6	42,000
Business Partner	1	7	51,000
		Vacancy Factor	(8,000)
Staff Cost	3		136,000
Other support (This includes: Data hosting, network links, system support, printing services, telephony)			464,000

support, GIS services, mobile device management support, consultancy services)			
Total Cost			600,000

6 Legal comments

- 6.1 Under section 401A of the Greater London Authority Act 1999 (GLA Act) the GLA can enter into arrangements with the LLDC for the provision of administrative, professional or technical services by the GLA to the LLDC, whether for consideration or otherwise. The professional services of the type described fall within the power. The Mayor must consult with the London Assembly before entering into any such arrangement involving the GLA; this role has been delegated to the GLA Oversight Committee, as permitted under section 54(a) of the GLA Act and paragraph 1.12 of this report indicates that this consultation has taken place.
- 6.2 The shared services documentation will cover issues such as payments for the services to be provided, and review and termination arrangements and liabilities. The finalisation of the terms of the proposed arrangements will be delegated by the Mayor to the Executive Director of Resources under the Mayoral Decision Making in the GLA document.
- 6.3 Under section 38(1) and (2) of the GLA Act the Mayor may delegate the exercise of any function exercisable on behalf of the Authority by the Mayor to any member of staff of the GLA
- 6.4 In the event that it is determined that the GLA provide the services proposed to the LLDC the parties will need to enter into shared services (Working Arrangements and Arrangements for Delegation) documentation which cover issues such as payments for the services to be provided, and review and termination arrangements and liabilities.
- 6.5 The proposed arrangement would appear consistent with LLDC's public procurement law obligations. Public procurement regulations allow public bodies such as the GLA and LLDC to enter into co-operative arrangements in the public interest where one provides services to the other on a not for profit basis. It is considered that the proposed arrangement is consistent with the LLDC's procurement law duties.
- 6.6 To the extent that the GLA's provision of the services relies upon the procurement of works, supplies or services from third parties, that procurement must be undertaken expressly on the basis that the LLDC's requirements fall within scope of the same.
- 6.7 It is noted that the LLDC has indicated (at paragraph 4.2 above) that its current contracted IT service arrangements are such that no current LLDC staff or supplier staff are engaged in manner which would trigger the transfer of employer liabilities to the GLA. GLA officers should however, undertake thorough due diligence in this regard. In addition, careful consideration should be given to any liabilities of this nature (and any associated pensions liabilities) arising on any termination/expiry of the proposed shared service arrangements.
- 6.8 The GLA must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 ("the Act");
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 6.9 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 6.10 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 6.11 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: tackle prejudice; and promote understanding.
- 6.12 Compliance with the above duties may involve treating some persons more favourably than others, but that is not to be taken as permitting conduct that would otherwise be prohibited by or under the Act.
- 6.13 The relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.
- 6.14 A reference to conduct that is prohibited by or under the Act includes a reference to a breach of: an equality clause or rule; or a non-discrimination rule.
- 6.15 To this end the Mayor should have particular regard to section 3 (above) of this report.

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? No

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

David Munn has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision is to be considered at the CIB meeting on 4 December 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. J. Bellamy

Date

4.12.17

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

4/12/2017