



# Cabinet

21 MARCH 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**AMENDMENTS TO THE H&F BRIDGE PARTNERSHIP CONTRACT**

**Wards:  
All**

Changes are to be made to the contract with H&F Bridge Partnership (HFBP) from 1 April 2011 to permit the transfer to HFBP of the FCS Business Transformation Team and Corporate Programme Management Office Project Management services. Costs in year 1 are £359,100 unless the Council requires and agrees to fund additional work above the agreed threshold.

A separate report on the exempt part of the agenda deals with matters relating to staff and costs.

**CONTRIBUTORS**

Martin Nottage  
Jackie Hudson  
ADLDS  
DFCS

**Recommendation:**

**That the HFBP contract be amended by a Deed of Variation from 1 April 2011 to permit the transfer, under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE), of Business Transformation and Programme Management Office project management services.**

**HAS A EIA BEEN COMPLETED?  
YES**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?  
N/A**

## **1. BACKGROUND**

- 1.1 In order to achieve the required funding, the Council agreed in July 2006 that a Joint Venture Company, H&F Bridge Partnership (HFBP), be set up between the Council and its strategic partner, Agilisys.
- 1.2 HFBP was established to continue to deliver a high quality IT service to the Council, while making efficiency savings from the inherited operation in order to fund the strategic programmes.
- 1.3 The operation of HFBP is governed by a Joint Venture Agreement and Service Agreement, both operative for ten years from 1 November 2006. Some amendments to the original contract have already been agreed during the first year of operation.
- 1.4 HFBP now successfully delivers the Council's IT services and has committed contractually to ensuring that the additional investment, currently deemed necessary to ensure that the Council's strategic programmes are implemented, is made available.
- 1.5 At the start of the contract, the Business Transformation Team (BTT) and Corporate Programme Management Office (PMO) were established with Council Officers, with the former operating a trading account. Additional capacity was bought in through HFBP as required.
- 1.6 It is proposed that the FCS project management service transfers to HFBP on 1 April 2011. Under this arrangement seven staff will transfer from the Council to HFBP under TUPE.
- 1.7 To provide the right focus and resources to drive the delivery of transformational savings, the Organisation Development Division has undergone a restructure. This has strengthened the Council's management capacity to drive the delivery of savings with several higher skilled roles as well as fewer posts.
- 1.8 Departments still have a requirement for support with their projects and initiatives but need to take on more of the project work themselves, not only to improve the value for money (RoI) of projects but also to increase their ownership of the change as well as build skills in managing change.
- 1.9 A number of recent projects have shown that this approach, with a different relationship between the BTT service and departments, can deliver the same degree of savings without the department 'outsourcing' as much of the work to the BTT.
- 1.10 The proposed transfer of service will create a flexible pool of resources, available to support departments to deliver savings, whilst retaining access to the talent and knowledge built up over the last 5 years. The HFBP based service will also add value in that:

- The transferred staff will develop more skills through being part of the Agilisys group, e.g working with other clients apart from LBHF, working alongside other Agilisys consultants
- Improved scalability/flexibility to deal with fluctuations in workload/demand

## **2. PROPOSED CHANGES**

- 2.1 The BTT and PMO project management services will transfer to HFBP from 1 April 2011. This will cover project management services including management of the available funding, resources, risks and issues, business process re-engineering to deliver business objectives. These activities will be incorporated within the existing terms and conditions and for the first year will be provided at a discounted day rate.
- 2.2 The level of future service provision required will be reviewed 9 months after the TUPE has taken place to determine whether the service should continue at the current level, a different one or whether it is to be terminated.
- 2.3 Informal discussions have taken place with the affected staff regarding their transfer under TUPE to HFBP. It is expected that 7 BTT/PMO staff will transfer. The formal TUPE consultation process was initiated on 31 January 2011.
- 2.4 There are no contracts to be novated to HFBP.

## **3. TOTAL COSTS**

- 3.1 The cost of these changes to the contract is a total of up to £359,100 in year one. There is no commitment for future years; this will be agreed by the parties at a review date three months prior to the start of next financial year.

## **4. RISK MANAGEMENT**

- 4.1 The TUPE of BTT/PMO services to HFBP does not appear on the departmental or corporate risk registers.

## **5. EQUALITY IMPLICATIONS**

- 5.1 An Equality Impact Assessment for reorganisations has been completed. The impact assessment level was rated high; however no disproportionate impacts were found or raised during the reorganisation consultation.

**6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

6.1 It is confirmed that the salary costs of the 7 staff transferring to HFBP are £368,612. This transfer of staff to HFBP will help to ensure that skilled staff remain available to support departments to deliver savings.

**7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

7.1 The Council entered into a service contract with H&F Bridge Partnership Limited (“HFBP”) on 1 November 2006 for the provision of IT services and to provide investment towards and delivery of the Council’s Customer First and Service Transformation Programme and other strategic programmes.

7.2 Part of the services provided by HFBP under the service contract are project management services. It is understood that the Business Transformation and Corporate Programme Management Office services which are the subject of the proposed transfer would fall under these project management services, which can be purchased by the Council on an ad hoc, as needs basis.

7.3 The client department should liaise with HR to ensure that all the necessary steps are taken in relation to the TUPE transfers.

**8. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT**

8.1 There are no direct procurement implications as the proposal is to make a minor variation in accordance with existing contractual arrangements.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	HFBP contract	Jackie Hudson Head of IT strategy ext 2946	FCS, SmartSpace
2	HFBP amendments to the contract of August 2007 Cabinet Key Decision	Jackie Hudson Head of IT strategy ext 2946	FCS, SmartSpace