

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

23 MARCH 2016

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Corporate Management & Finance – Lead Cabinet Member – Councillor Cook

XENTRALL SHARED SERVICES - NORTHUMBERLAND COUNTY COUNCIL ICT HOSTING

1. Summary

This report is to seek approval from Cabinet for Xentrall Shared Services to provide Northumberland County Council with an ICT hosting service.

2. Recommendation

1. That Cabinet accept delegated powers from Northumberland County Council's Cabinet to allow Xentrall Shared Services to provide Northumberland County Council with an ICT hosting service.

3. Reason for the Recommendation/Decision

To extend the scope of the existing Stockton and Darlington partnership to include Northumberland County Council to allow Xentrall Shared Services to provide Northumberland with an ICT hosting service.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or

- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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CABINET DECISION

**XENTRALL SHARED SERVICES - NORTHUMBERLAND COUNTY COUNCIL ICT
HOSTING**

SUMMARY

This report is to seek approval from Cabinet for Xentrall Shared Services to provide Northumberland County Council with an ICT hosting service.

RECOMMENDATION

1. That Cabinet accept delegated powers from Northumberland County Council's Cabinet to allow Xentrall Shared Services to provide Northumberland County Council with an ICT hosting service.

DETAIL

1. When Xentrall was formed in 2008, investment was made in a new data centre at Darlington Town Hall to host both Council's ICT equipment. This was to replace the existing ageing facilities. This new main data centre in Darlington was subsequently complimented by a new smaller ICT backup and disaster recovery data centre at Municipal Buildings in Stockton.
2. Spare space exists in both existing facilities and this includes spare capacity in terms of power provision and air cooling.
3. Discussions over previous years with neighbouring Councils regarding Xentrall ICT hosting have not come to fruition. However, in late 2015 Northumberland County Council published a tender for an ICT hosting service which was a result of the Council's plans to rationalise its property portfolio and move out of County Hall. The Council wishes to rent computer room space rather than build both a new main data centre and backup facility from scratch.
4. Detailed discussions have taken place between Xentrall ICT Services and Northumberland's ICT service on the technical details of a hosting service. Xentrall have also liaised with Stockton and Darlington Council's landlord and insurance teams. Both Stockton and Darlington legal teams have also been involved and the team at Stockton have liaised with their counterparts in Northumberland. As a result, an agreement has been developed which encompasses the legal, contractual and ICT service management aspects of an ICT hosting proposal.
5. The hosting requirements of Northumberland can be accommodated within the existing data centres without causing restriction or undue technical or security risk to Stockton and Darlington's existing and future ICT assets and requirements.
6. The hosting agreement will be renewed on an annual basis, with an expectation that Northumberland's volume of ICT racks will reduce in future years, reflecting the Council's reducing (in number) and shrinking (in size) ICT server requirements over the longer-term.

PARTNERING AGREEMENT

7. Members will recall that Stockton is the host and employing Authority for Xentrall Shared Services and that ICT is one of four services provided by the partnership. The existing partnering agreement was founded on Darlington Council's Cabinet delegating authority to Stockton Council to manage the services encompassed by the Xentrall partnership.
8. Due to the on-going success of the partnership in achieving savings as well as improving and sustaining service performance, in March/April 2015 Members in both Authorities re-confirmed the role of Stockton Council as host authority for the partnership and that Stockton accepted the delegation of functions from Darlington Council. At that time Members also approved a revision to the original ten year partnership agreement so that at the end of the initial period in 2018 the arrangement would be a rolling agreement with no defined end date, but retaining the existing 12 month notice termination clause.
9. Due to the value of the services being provided to Northumberland County Council and to comply with European Union procurement law, Northumberland will follow this proven approach, with the Council's Cabinet delegating ICT hosting powers to Stockton Council. This will make Northumberland County Council part of the existing Stockton and Darlington partnership, but without a seat in the decision making, thereby limiting their role to the receipt of the ICT hosting service. The hosting agreement will be renewed on an annual basis.
10. Northumberland's Cabinet have been briefed in January and the formal delegation of powers from Northumberland to Stockton will take place following approval from Stockton's Cabinet. Darlington Council's Cabinet have been asked to support this delegation approach at their meeting on 8 March 2016.

FINANCIAL IMPLICATIONS

11. The initial ICT hosting set-up costs will be met by Northumberland. These involve the installation of separate electricity metering for the additional ICT racks and the installation and leasing of high-speed/capacity network links between Stockton, Darlington and Northumberland sites.
12. The electricity metering will allow for Northumberland to be charged for the electricity they use at both the Darlington and Stockton sites. Northumberland will also contribute a percentage towards the costs of the electricity used by the power and cooling equipment which manages the data centres as a whole.
13. In addition to this annual charge for electricity used, Northumberland will also pay an annual fee for the number of ICT racks being hosted by Xentrall. In the first year the total charge for the racks will be in the region of £70K. This will reduce in future years as the amount of hosted ICT equipment shrinks. All income received for this service will be shared between Stockton and Darlington Councils in-line with the existing partnering agreement. This is roughly a 60:40 split (SBC:DBC).

LEGAL IMPLICATIONS

14. The ICT services described in this report comprise executive functions for the purposes of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and therefore it is necessary for Northumberland County Council's executive to formally delegate this function to Stockton-on-Tees Borough Council under Section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.. The Council is required to formally accept the delegation from Northumberland County Council.
15. The proposed arrangement is deemed to constitute a contract which establishes or

implements co-operation between contracting authorities pursuant to Regulation 12(7) of the Public Contracts Regulations 2015 and is excluded from the requirements of competition.

RISK ASSESSMENT

16. This ICT hosting proposal is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

17. Not applicable.

EQUALITIES IMPACT ASSESSMENT

18. Not applicable.

CORPORATE PARENTING

19. Not applicable

CONSULTATION INCLUDING WARD/COUNCILLORS

20. Not applicable.

Name of Contact Officer: Ian Miles
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Education related? No

Background Papers None

Ward(s) and Ward Councillors: None

Property: None