

# PPP DATA SHEET

## THE HIGHLAND COUNCIL PARTNERSHIP FOR THE PROVISION OF IS/IT SERVICES

### Background

The Highland Council entered into a public private partnership with ICL to replace its major business systems and provide a wide range of IS/IT services.



The council decided to seek a partnership with the private sector following a fundamental review of its in-house IS/IT function and the development of a business-led IS/IT strategy. The strategy called for the replacement of many major systems. These were needed to meet the demands of a new organisation delivering services over a large geographic area. The council also needed to meet the time pressures of the millennium. The most effective way of addressing the issues was to seek a partner from the private sector who could understand the issues faced by the council and bring resources to help address them.

### Features

The contract features include:

- ◆ Investments to implement new systems, including financial management, housing management, payroll and

management information and to support a programme to standardise the PCs and replace them every three years

- ◆ Provision of services such as Help Desk and network management throughout the term of the contract
- ◆ Ability to change the specification of the contract
- ◆ Sharing in cost reductions arising from changes in technology costs
- ◆ Annual benchmarking of the charges to ensure they are competitive and that the service represents "best value"
- ◆ Ability to change the specification of services to meet evolving business needs
- ◆ Payment of service credits if performance targets are not met
- ◆ Fixed prices for investment projects

As part of the contract, 57 staff transferred from the council to ICL. It is expected that the number of ICL employees will increase as the business develops.

If the business develops on the basis of assets used to provide services to the council, both parties will share in the revenue generated.

### Benefits

Both parties benefit from the arrangements. The council:

- ◆ acquired new systems for its major business processes; these enable it to improve its efficiency and effectiveness
- ◆ the risks associated with implementing major IT projects are shared but in large part transferred to ICL
- ◆ services are provided in accordance with demanding service levels

ICL benefits through:

- ◆ provision of major systems to the council
- ◆ acquisition of a base in the Highlands with skilled staff
- ◆ opportunity to develop further business opportunities with the council and other organisations in The Highlands

### Facts

**Sponsor - The Highland Council**

**Contact:-** John Grieve, IS Client Manager 01463 702842

**Contractors - ICL**

**Outsourcing**

**Signed - July 1998**

**Capital Value - £13m**

**Contract Length - 10 yrs**

**Advisers to the Council -**

**Legal -** Biggart Baillie, Edinburgh (Wayne Lawrence, 0131 226 5541)

**Consultants -** KPMG, London

**Scottish Executive Contact -**

Frank Duffy (Tel 0131 244 7054)

**Status-Operational**

