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

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**Responsible Cabinet Member - Councillor Stephen Harker  
Efficiency and Resources Portfolio**

**Responsible Director - Paul Wildsmith,  
Director of Neighbourhood Services and Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To approve an extension of the services delivered by Xentrall Shared Services to include providing Northumberland County Council with an ICT hosting service.

**Summary**

2. Detailed discussions have taken place between Xentrall ICT Services and Northumberland's ICT service on the technical details of an ICT hosting service. This opportunity has arisen as a result of Northumberland County Council plans to rationalise its property portfolio and move out of County Hall. The Council wishes to rent computer room space for its ICT servers rather than build both a new main data centre and backup facility from scratch. As a result, an agreement has been developed which encompasses the legal, contractual and ICT service management aspects of an ICT hosting proposal.
3. The hosting requirements of Northumberland can be accommodated within the existing Xentrall Darlington and Stockton data centres without causing restriction or undue technical or security risk to Darlington and Stockton's existing and future ICT assets and requirements.

**Recommendation**

4. It is recommended that Members:-
  - (a) Note that the Cabinet of Stockton-on-Tees Borough Council will consider the Xentral Shared Services ICT hosting proposal in March 2016 and to convey to them our support for agreement to be concluded between Stockton-on-Tees Borough Council and Northumberland County Council (including the acceptance by Stockton-on-Tees Borough Council of the delegation of this function from Northumberland County Council).

- (b) Approve, subject to the delegation of function being concluded between Stockton-on-Tees Borough Council and Northumberland County Council (as set out in 4(a) above), the extension of the shared service delivery scope of the Darlington and Stockton Shared Service Partnership (Xentrall Shared Services) to enable the service to include providing Northumberland County Council with an ICT hosting service.
- (c) Delegate to the Assistant Director Law and Governance the power to make any variations to the Darlington and Stockton Shared Service Partnership Agreement as may be needed to reflect this change.

## Reasons

5. The recommendation is supported by the following reasons:-

- (a) To enable financial efficiencies to be delivered.
- (b) To facilitate co operation and the development of partnership working with Northumberland County Council.
- (c) It is in the public interest.

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

## Background Papers

- (i) Local Government Act 2000
- (ii) Local Authorities (Functions and Responsibilities) (England) Regulations 2000
- (iii) Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012
- (iv) Public Contracts Regulations 2015

Ian Miles: Extension 157012

S17 Crime and Disorder	There are no issues in relation to Crime and Disorder.
Health and Well Being	There are no issues in relation to Health and Well Being.
Carbon Impact	There will be a neutral or positive carbon impact as a result of supporting Northumberland ICT equipment in a more modern and efficient data centra facility.
Diversity	There are no issues in relation to Diversity.
Wards Affected	This report affects all wards equally.
Groups Affected	There is no impact on any particular group.
Budget and Policy Framework	This report does not recommend any changes to the Budget or Policy Framework.
Key Decision	This is not a Key Decision.
Urgent Decision	This is not an Urgent Decision.
One Darlington: Perfectly Placed	This report contributes to all the delivery themes.
Efficiency	Efficiency issues are highlighted.

## MAIN REPORT

### Information and Analysis

#### Background

6. When Xentrall was formed in 2008, investment was made in a new data centre at Darlington Town Hall to host both Darlington and Stockton 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.
7. Spare space exists in both existing facilities and this includes spare capacity in terms of power provision and air cooling.
8. 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.
9. 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 Darlington and Stockton legal teams have also been involved and the team at Stockton, as the lead for Xentrall, 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.
10. The hosting requirements of Northumberland can be accommodated within the existing data centres without causing restriction or undue technical or security risk to Darlington and Stockton's existing and future ICT assets and requirements.
11. 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

12. 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 by a delegation of the relevant functions by Darlington Council to Stockton Council to deliver the services encompassed by the Xentrall partnership.
13. Due 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.

14. 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.
15. 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 on 17 March 2016.

### **Financial implications**

16. 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 Darlington, Stockton and Northumberland sites.
17. 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.
18. 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**

19. The Darlington and Stockton Shared Service Partnership agreement, which established Xentral Shared Services, includes provisions that allow the extension of the services provided to other public bodies, subject to agreement by both Councils.
20. The ICT services described in this report are executive functions for the purposes of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and it will be 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. Stockton-on-Tees Borough Council is required to formally accept the delegation from Northumberland County Council.

21. 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.