



## Finance and Performance Sub-Committee 25 June 2018

### Capital Programme and Development Pool Update - ICT

#### Purpose of report

To update the Committee on the latest position in respect of ICT requirements within the Capital Programme and Development Pool.

Appendix 1 – Status Report on ICT Transformation Programme

Appendix 2 – Current Capital Programme including carry forwards

#### 1.0 Introduction

- 1.1 At the Full Council meeting on 26 February 2018 the Medium Term Financial Strategy was considered and approved. Whilst this included approval of the Capital Programme and Development Pool budget it was agreed that, due to the continuing decline of capital resources and significant ongoing changes to the capital programme, the approval would be subject to a review of the programme by Members of the Finance Sub Committee and CMT. This would ensure that sufficient justification was made for all items to be included in the Capital Programme going forward.
- 1.2 A meeting was held between members of Finance Sub Committee, Chief Finance Officer, Finance Manager and relevant Heads of Service and their officers on 26 March 2018. Each line of the Capital Programme and Development Pool was discussed in detail and the outcome of the review was reported back to Finance Sub Committee with recommendations at their meeting on 30 April 2018. The report highlighted that further work was being undertaken to establish the resources required in relation to ICT projects and a further report would be presented to the Committee on 25 June 2018 which outlined the requirements.

#### 2.0 Update on ICT Programme

- 2.1 Appendix A provides an update to members on the ICT programme in terms of progress, delivery, savings and next steps for 2018/19. The report shows that, whilst there has been a slippage in delivering expected savings in 2017/18 and 2018/19 due to some work streams taking longer than planned, savings are still on target to be delivered in 2019/20.
- 2.2 The report also highlights what financial resource is now required to make further progress on delivery of the ICT Strategy, in particular, phase 2 of the work programme.

#### 3.0 Development Pool Re-allocation Proposals

- 3.1 The development pool currently includes the following ICT projects (including recommended carry forwards from 2017/18):

Description	2018/19	2019/20	2020/21	2021/22	Total
End User Devices (Desktops, Laptops, Tablets, Scanners)	97,160	25,000	25,000	25,000	<b>172,160</b>
Replacement Printers & Scanners	4,194	-	-	-	<b>4,194</b>
Data Infrastructure Equipment (Data Centre & Council Offices)	5,000	5,000	30,000	55,000	<b>95,000</b>
Security Systems	5,000	5,000	5,000	5,000	<b>20,000</b>

Licences	-	82,000	84,000	86,000	<b>252,000</b>
ICT Transformation - Capital Projects	45,652	88,000	90,650	90,800	<b>315,102</b>
Committee Management System	18,000	-	-	-	<b>18,000</b>
CRM Replacement	-	20,000	-	-	<b>20,000</b>
Network Refresh	130,000	-	-	-	<b>130,000</b>
Meeting Room AV Equipment	30,000	-	-	-	<b>30,000</b>
Business Transformation Resource	87,142	-	-	-	<b>87,142</b>
ESRI - GIS Upgrade	10,000	-	-	10,000	<b>20,000</b>
Mobile Working Solution	69,660	-	-	-	<b>69,660</b>
<b>Total</b>	<b>501,808</b>	<b>225,000</b>	<b>234,650</b>	<b>271,800</b>	<b>1,233,258</b>

- 3.2 Following a further meeting between officers and members on 11 June 2018 to review the current status of IT Capital Projects, it was recognised that the Development Pool for IT projects required some adjustment in order to reflect current projects more appropriately. The changes can be identified within the following table where the description is marked \*:

<b>Description</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
End User Devices (Desktops, Laptops, Tablets, Scanners) *	143,125	143,125	-	-	<b>286,250</b>
Replacement Printers & Scanners	4,194	-	-	-	<b>4,194</b>
Data Infrastructure Equipment (Data Centre & Council Offices)*	25,000	5,000	30,000	55,000	<b>115,000</b>
Security Systems	5,000	5,000	5,000	5,000	<b>20,000</b>
Licences	-	82,000	84,000	86,000	<b>252,000</b>
Capital ICT Balance - To be allocated *	51,264	10,875	90,650	90,800	<b>243,589</b>
Committee Management System	18,000	-	-	-	<b>18,000</b>
CRM Replacement	-	20,000	-	-	<b>20,000</b>
LAN / Wi-fi*	152,900	-	-	-	<b>152,900</b>
Meeting Room AV Equipment	30,000	-	-	-	<b>30,000</b>
Business Transformation Resource*	62,325	9,000	-	-	<b>71,325</b>
ESRI - GIS Upgrade	10,000	-	-	10,000	<b>20,000</b>
<b>Total</b>	<b>501,808</b>	<b>275,000</b>	<b>209,650</b>	<b>246,800</b>	<b>1,233,258</b>

- 3.3 It should be noted that the unallocated capital ICT balance will allow some capacity for further costs that may be identified as more specific detail on next phases become known. Any future requests will follow the normal financial procedure rules for approval.

#### **4.0 Proposal to transfer from Development Pool into Approved Capital Programme**

- 4.1 In order to continue delivery of phase 2 of the work programme as outlined in Section 2 of this report and detailed in Appendix 1, a provision of £595,475 has been identified of which £65,000 is already in the Approved Capital Programme. The following amounts are now requested to be transferred into the Approved Capital Programme:

<b>Description</b>	<b>Total</b>
LAN/Wifi	£152,900
End User Device	£143,125
Data Infrastructure Equipment (for Servers)	£ 20,000
Business Transformation Resource	£ 62,325
<b>Total</b>	<b>£378,350</b>

4.2 The balance of £152,125 is made up of the following and is currently within the Development Pool for requirement in 2019/20:

- End User Devices £143,125
- Business Transformation Resource £9,000

4.3 It should be noted that if progress exceeds current expectations then a request for approval to draw down the funding in this financial year (2018/19) may be presented at a future committee meeting.

## **5.0 Equality and Diversity Implications**

5.1 There are no direct equalities impacts arising from this report.

## **6.0 Legal Implications**

6.1 There are no legal implications arising from this report.

## **7.0 Risk Management**

7.1 Officers will continue to monitor and review priorities to identify where further action can be taken to realign resources. Further reports setting out financial implications will be brought back to Finance Sub Committee accordingly.

## **8.0 Resource and Financial Implications**

8.1 This report highlights specific financial implications following a review of the capital programme and a more detailed review of specific ICT projects.

## **9.0 Constitutional Implications**

9.1 The report does not require any amendment to the Council's Constitution.

## **10.0 Implications for our Customers**

10.1 There are no customer service implications arising from the report.

## **11.0 Corporate Outcomes**

11.1 This report links to the following Corporate Outcome – Effective Management

*(Seeking to secure efficient, cost effective management of resources for the Council by reviewing its financial performance)*

## **12.0 Recommendation**

12.1 Finance and Performance Sub-Committee is asked to:

- 1) Approve the realignment of ICT budgets in the Development Pool as set out in Section 3

*(Reason: To follow correct approval process for transfers within the Development Pool)*

- 2) Approve the transfer of £378,350 from the Development Pool to the Approved Capital Programme as set out in detail at paragraph 4.1

*(Reason: To follow correct approval process for transfers to the Approved Capital programme from the Development Pool)*

<b>Legal</b>	Power: Local Government Finance Act 1992, Local Government Finance Act 2012				
	Other considerations:				
<b>Background Papers:</b>					
<b>Person Originating Report:</b> Michelle Drewery, Head of Resources mdrewery@east-northamptonshire.gov.uk					
<b>Date:</b> 14/06/18					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)

**ICT TRANSFORMATION PROGRAMME**  
**UPDATE TO MEMBERS AT ENC**  
**DELIVERY, SAVINGS AND ICT WORK PROGRAMME FOR 2018/19**  
**11<sup>TH</sup> JUNE 2018**

## Introduction

In October 2016 the Council approved a 2-year implementation programme for an ICT Transformation with the objective of moving the business systems and infrastructure forward to a new level of operation. This summary report provides an update on the progress of the programme, what has been delivered, what is outstanding, the financial position and the key areas to be delivered in 2018/19 and 2019/20.

Significant progress has been made in both the business applications areas and the underpinning infrastructure. The focus in 2018 was to establish a new data centre at Crown Hosting, implement a new wide area network across sites, progress an applications rationalisation approach and re-design the IT Service.

Targets were established for savings through new applications, data centre / wide area network operation and a streamlined IT Service to support the investment and reduce the baseline costs for ICT.

## Areas Completed in Phase 1

The phase 1 focus was on the infrastructure and applications area with the following areas delivered:

- Migration of all Exchange email boxes to Office 365 in the Cloud simplifying the setup.
- Design, procurement and fit out of a new data centre operation at Crown Hosting (off-site).
- Design, procurement and delivery of a new wide area network replacing multiple suppliers.
- Established new solutions to strengthen security and data protection.
- Migration of a range of technical applications to the data centre.
- Migration to a new consolidated Capita payments setup.
- Re-design and streamlining of the IT Service.
- Procurement and implementation of a new Telephony solutions at the data centre.
- Business case and procurement for a shared ENC/BCW Revenues & Benefits solution.
- External migration of iDox with new service support arrangements.
- Basis established for streamlined infrastructure and sustained savings.
- Procurement and implementation of a replacement CRM System.

## Areas Progressing – Phase 1

- Some degree of stabilisation is progressing for the new systems including Telephony.
- The continuation of migrating applications to the data centre.
- Deployment of a new common remote working solution (Citrix) for BCW.

## Financial Update

The overall profile of savings against the original IT Service cost baseline of circa £2m are largely on track but with some movement forward where specific activities took longer than planned. For 2018/19 the projected IT Service salary and infrastructure/applications revenue costs are slightly over £1.6m.

Area of Programme	2016/17	2017/18	2018/19	2019/20
Revenue Savings Plan				
Infrastructure / Applications	£0k	£10k	£80k	£160k
Staffing	£30k	£200k	£340k	£400k
<b>Annual Savings Targets</b>	<b>£30k</b>	<b>£210k</b>	<b>£420k</b>	<b>£560k</b>
<b>Original Savings Targets</b>	<b>£30k</b>	<b>£299k</b>	<b>£509k</b>	<b>£549k</b>

(Excludes savings from Revs & Bens system re-implementation)

## ICT Transformation – Phase 2 (ICT Work Programme)

The work programme for this year is to build on and extend on the first phase of the programme through:

- Deployment of new flexible working laptop/desktop systems – refresh of ageing kit. (No desktop refresh in over 3 years).
- Progress rollout of Windows 10 and Office 2016 with supporting tools – assumption that all new kit will come with Windows 10 operating system.
- ICT support for office accommodation changes.
- Review and refresh of Members ICT equipment.

Capital investment will be required for the completion of this work. This is summarised below:

Budget Description	Budget Type	ENC Cost
LAN Wifi	Capital	£152,900.00
Windows 10/End User Computing	Capital	£286,250.00
Servers	Capital	£20,000.00
<b>Total Cost</b>		<b>£459,150.00</b>

There has been capital provision in previous years for desktop/laptop replacement and licensing costs can be spread across 2018/19 in line with the deployment plan.

## Resourcing

In addition to Capital Investment, it is critical that relevant resourcing is in place to ensure the delivery of this work. This is summarised below:

Resource Required	Start Date	Duration	Method	Cost (50% of the cost)
Project Management/ Strategic IT Expertise	June 18	3 days per week spread over 12 months	External Recruitment/ Consultancy	£30,000.00
Senior Systems Engineer	June 18	6 months with a built 2 weeks' notice should this be shorter	Agency Contract	£25,000.00
Systems Engineer	June 18	12 months FTC	External recruitment	£20,000.00
Service Desk Analyst	August	12-18 Months FTC	External recruitment	£12,500.00
<b>Total</b>				<b>£87,500.00</b>

## Consultancy

Resource Required	Start Date	Duration	Cost (50% of the cost)
Programme Management, Coordination, Network Specialist and Business Analysis	June 18	6 months	£48,825.00

A provision of **£595,475.00k** is proposed to cover new investment, resourcing and consultancy.

**New Investment - £459,150.00**

**Resourcing - £136,325.00 (£65000.00 has already been allocated)**

This was not included in the scope of the original ICT programme budget.

**Peter Marsden/Julie Smith**

**ICT Transformation Programme Team**

**31<sup>st</sup> May 2018**









Website Replacement	-	-	-	-	25,000	-	-	-	-	-	-	25,000
Replacement Finance System	-	-	-	-	-	-	-	-	-	-	-	-
<b>Corporate Systems</b>	<b>501,808</b>	<b>225,000</b>	<b>234,650</b>	<b>271,800</b>	<b>256,800</b>	<b>216,915</b>	<b>280,480</b>	<b>240,480</b>	<b>226,108</b>	<b>226,108</b>	<b>226,108</b>	<b>2,680,149</b>
AMP - Rushden Centre	-	-	50,000	90,000	-	-	30,000	-	-	-	-	170,000
AMP - East Northamptonshire House	67,000	20,000	76,000	411,000	-	10,000	-	20,000	-	-	-	604,000
AMP - Stanwick Lakes - Infrastructure	-	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	630,000
AMP - Twywell Hills	29,000	7,000	-	10,000	7,500	-	-	-	-	-	-	53,500
AMP - Industrial Units	60,000	-	300,000	-	-	-	-	-	-	-	-	360,000
AMP - Eaton Walk	-	-	-	-	-	-	-	-	-	-	-	-
AMP - High St	-	-	-	-	-	-	-	-	-	-	-	-
AMP - Polebrook Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-
AMP - Village Drains	-	-	-	-	-	-	-	-	-	-	-	-
AMP - Public Car Parks	30,000	-	-	-	-	-	-	-	-	-	-	30,000
AMP - Contingency	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
<b>Essential Property Maintenance</b>	<b>206,000</b>	<b>117,000</b>	<b>516,000</b>	<b>601,000</b>	<b>97,500</b>	<b>100,000</b>	<b>120,000</b>	<b>110,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>2,047,500</b>
Replacement Dog Warden Vans	-	16,600	-	16,600	-	16,600	-	-	-	-	-	49,800
Refuse Vehicles	3,026,660	-	-	-	-	-	-	-	-	-	-	3,026,660
<b>Vehicle Replacements</b>	<b>3,026,660</b>	<b>16,600</b>	<b>-</b>	<b>16,600</b>	<b>-</b>	<b>16,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,076,460</b>
<b>Total Development Pool</b>	<b>5,734,468</b>	<b>6,372,600</b>	<b>1,350,650</b>	<b>1,499,400</b>	<b>949,300</b>	<b>913,515</b>	<b>1,037,480</b>	<b>930,480</b>	<b>896,108</b>	<b>896,108</b>	<b>896,108</b>	<b>20,580,109</b>