



Policy and Resources Committee 9 July 2018

IT Strategy Update

Purpose of report

The purpose of this report is to update the Committee on the IT Strategy approved in October 2016.

Attachments

Appendix 1: IT Strategy Update Report

1.0 Background

- 1.1 The Council has operated a shared ICT service with the Borough Council of Wellingborough (BCW) since 2009, during which time significant efficiencies and improvements have been delivered for both councils. However, the pace of change in ICT generally and the changing needs of both councils required a new strategic approach to be developed and implemented.
- 1.2 At its meeting on 10th October 2016 the Committee approved an IT Strategy to deliver the shared vision between the two councils.
- 1.3 The key aims of the strategy were to:
- Make our ICT infrastructure simpler, more reliable and secure
 - Focus our resources on business improvement rather than housekeeping and troubleshooting, which, while they are essential to keeping services running for residents, do not improve those services
 - Integrate ICT with the other service areas critical to business improvement; HR and Business Transformation
 - Introduce new governance arrangements to simplify management processes and decision-making within the ICT Service
 - Work more closely with BCW to adopt common processes and improve efficiency
Save money
- 1.4 Since the Strategy's approval both councils have been working closely with Entec Si, who were the consultants commissioned to assist in delivering the shared vision.

2.0 IT Transformation Programme – Phase 1

- 2.1 An update of the implementation of the IT Strategy or IT Transformation Programme – Phase 1 as it has become known is shown at Appendix 1.
- 2.2 At a summary level the IT Strategy is still on course for delivery. However, it should be recognised there have been some difficulties implementing the Strategy which could not have been foreseen at the commencement of the work, particularly staff absences due to sickness and maternity leave, and the departure of key members of staff earlier than expected. It should be said these relate to a few of the work streams have taken longer to implement than planned. These have meant the savings arising from the investment have been delayed, although once fully implemented are anticipated to be greater than the original savings identified.
- 2.3 During the period of the IT Strategy implementation there has been little or no investment in our IT infrastructure, hardware and software as resources, staffing and budget, have been prioritised to delivering the IT Strategy.

3.0 IT Transformation Programme – Phase 2

- 3.1 The IT environment is dynamic. As such the council needs to continue to invest in its IT infrastructure, hardware and software applications. The work undertaken in the Transformation Programme – Phase 1 provides the bed rock from which to do this.
- 3.2 At its meeting on 25th June the Finance and Performance Sub Committee was requested to approve £378,350 for 2018/19 to improve the council's Local Area Network (LAN) and WiFi, replace servers and update end user devices / applications. This represents the investment needed for the next phase of the programme following the initial investment approved by Council in 2016.
- 3.3 The investment of £378,350 for 2018/19 is part of a total investment of £443,350 in 2018/19 for IT Transformation – Phase 2 as £65,000 had previously been approved earlier in the financial year.
- 3.4 The IT Transformation Programme - Phase 2 is expected to take place over two financial years, as such as further £152,125 is in the Capital Programme Development Pool for 2019/20. This additional amount will be considered for promotion into the Approved Capital Programme as part of the 2019/20 budget process. This could bring the total future investment to £595,475 in the Transformation – Phase 2.

4.0 Equality and Diversity Implications

- 4.1 There are no equality and diversity implications associated with this report. Recruitment to the new structure that was put in place as part of the implementation of the strategy was in line with the council's approved recruitment policies and practices.

5.0 Legal Implications

- 5.1 There are no legal implications arising from this report.

6.0 Risk Management

- 6.1 The strategy was designed to mitigate some of the most significant risks to the Council:
- RM CORP 009: Failure of core ICT infrastructure leading to inability to provide statutory services
 - RM ICT 001: Loss of critical technological expertise
 - RM ICT 003: Failure of ICT partnership leading to breakdown in service provision
 - RM ICT 004: Failure to comply with security legislation
- 6.2 The implementation of the Strategy has mitigated these risks. However, the Council will need to continue to adhere to the Strategy and invest further in its IT infrastructure, hardware and applications to ensure it mitigates these risks in the future.

7.0 Resource and Financial Implications

- 7.1 The investment in the IT Strategy has been £450k over the last two financial years. This was funded from reserves. Further investment is now required as set out in section 3.2 above.
- 7.2 The financial benefits delivered, across both councils, have been and are forecast to be as follows:

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
Annual Savings Targets	£30k	£210k	£420k	£560k
Original Savings Targets	£30k	£299k	£509k	£549k

The Annual Savings Targets row in the table above shows the total level of savings across both East Northamptonshire Council and Borough Council of Wellingborough, which are split 50:50 between the councils. East Northamptonshire's share is:

Year	Annual Savings £'000	Annual % Return on Investment	Cumulative Savings £'000	Payback Achieved
2016/17	15	3%	15	N
2017/18	105	23%	120	N
2018/19 (forecast)	210	47%	330	N
2019/20 (forecast)	280	62%	610	Y

8.0 Constitutional Implications

8.1 There are no constitutional implications arising from this report.

9.0 Implications for our Customers

9.1 The strategy is designed to ensure that the Council is well-placed to use ICT to best effect to deliver services to the public in the future with increased flexibility to expand or contract ICT services as needed.

10.0 Corporate Outcomes

10.1 The strategy will help to achieve the following corporate outcomes:

- **Good Value for Money / High Quality Service delivery** – delivering an improved service at lower cost.
- **Effective Management** – mitigating the existing risks to data security and business continuity.

10.2 The strategy will also support the achievement of the councils Key Skills and Behaviours (KSBs). This is particularly important to up skill the work force and councillors to ensure they are ready for the future local government working.

11.0 Recommendation

11.1 The Committee is recommended to:

- a) Note the progress made on implementing the IT Strategy, including projected annual savings of £280,000 by 2020 for the council.

Legal	Power:				
	Other considerations:				
Background Papers:					
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Date: 27 June 2018					
CFO		MO		CX	

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

Introduction

In October 2016 the Council approved a 2-year implementation programme for 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 ICT Service to support the investment and reduce the baseline costs for the service.

Areas Completed in Phase 1

The phase 1 focus was on the infrastructure and applications area, with the following projects 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.
- Establishment of 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 ICT Service.
- Procurement and implementation of a new Telephony solution at the data centre.
- Preparation of a 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 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 ICT Service cost baseline of circa £2m are largely on track but with some delays where specific activities took longer than planned. For 2018/19 the projected ICT Service salary and infrastructure/applications revenue costs are slightly over £1.6m.

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

ICT Transformation – Phase 2 (ICT Work Programme)

The work programme for this year and next 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
Windows 10/End User Computing	Capital	£286,250
Servers	Capital	£20,000
Total Cost		£459,150

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
Senior Systems Engineer	June 18	6 months with a built 2 weeks' notice should this be shorter	Agency Contract	£25,000
Systems Engineer	June 18	12 months FTC	External recruitment	£20,000
Service Desk Analyst	August	12-18 Months FTC	External recruitment	£12,500
Total				£87,500

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

A provision of **£595,475** for East Northamptonshire Council is proposed to cover new investment, resourcing and consultancy. This is proposed over a two year horizon with £443,350 in 2018/19 and £152,125 in 2019/20.

New Investment - £459,150

Resourcing (including consultancy) - £136,325

Peter Marsden/Julie Smith

ICT Transformation Programme Team

Glenn Hammons/David Oliver

East Northamptonshire Council

2nd July 2018