TITLE   ICT Services

FOR CONSIDERATION BY Audit Committee on 25th September 2013

WARD   None specific

STRATEGIC DIRECTOR Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

ICT services support virtually all service delivery to customers and citizens and the overall functioning of the Council. They are a key communication tool and provide intelligence upon which management and strategy decisions are made.
They are however a support service rather than an end in themselves and therefore should be as effective and efficient as possible.

RECOMMENDATION

The Committee is asked to note and comment on the report.

SUMMARY OF REPORT

ICT services are very important for Council functioning and growing more so. Over the last 1-2 years the Council has invested in its technology infrastructure. This improvement has been very well delivered for many components but there have also been significant problems to overcome. Satisfaction with ICT services is not high but appears to be growing as issues are stabilised. There is work to complete but the Council should be able to expect a modern and effective ICT platform for the future. The cost of ICT continues to fall and significant revenue budget savings have been delivered. The ICT programme (Technology Futures) is now beginning to deliver some innovative and more ambitious technology solutions.

Background

The Audit Committee has requested to consider the Council's information and communication technology (ICT) provision. ICT services include;

- End user devices for data and telephony (both fixed and mobile)
- Datacenter services (server rooms and links)
- Applications & business systems
- Service desk and application support
- ICT and Information Strategies
- Supplier Strategy and management
- Business Relationship Management
- Management of the ICT portfolio of work (currently primarily within the Technology Futures Programme)

ICT contributes to the work and mission of the Council by underpinning the delivery of virtually all other services including external customer facing services. It assists planning and strategy formation and provides ideas and innovation opportunities.

The Council has an outsourced arrangement for ICT services which are provided by Northgate Information Solutions under a contract which commenced in December 2010. The contract duration is 5 years with an opportunity to extend for 2 years. There is a small client side team and reprographics and print is also provided in house.

Core ICT services cost the Council around £4m per annum of which circa £2m is paid to Northgate and approximately £1.5m of the remainder to a variety of other suppliers. This figure was agreed as part of a competitive tender exercise and was clearly the best value for the Council at the time the contract was let. There is some other ICT spend within the Council and all of these areas have been reviewed as part of council wide budget planning during 2013.

In 2011/12 the Council identified a need to invest in ICT infrastructure and services to support changes in working patterns, especially flexible working and to ensure a reliable service into the future. At the same time the leadership of ICT was strengthened and the team re-formed with a new strategic head (shared with Reading Borough Council). The priorities for the new team were delivery of the improvement programme, tighter management of contracts and budgets and a better relationship with business areas in the Council. Many of these have been achieved but there is more to do.

During the modernisation of the ICT infrastructure, in February 2013, the Council suffered a complete loss of services for 2-3 days and severe disruption during the following months until services stabilised in May and June 2013. The recovery work from this outage has not yet been completed.

2. ICT Improvement

The key objectives for ICT over the period 12/13 & 13/14 are:

- Structure IMT into a 'fit for purpose' unit – clear responsibilities and attuned to task in hand – much better emphasis on business partner role and programme management
- Tackle areas of poor value in Northgate and other contracts
- Drive improved service standards
- Form and deliver Technology Futures Programme to ensure we have a robust, secure and modern technology platform
- Develop innovative options for key strategic areas – especially customer management technology opportunities and Councillor ICT
- Embed Shared Head of ICT (a role shared with Reading)

3. The Technology Futures Programme

The Technology Futures Programme (TFP) has been the largest and most significant area of work. The programme includes the following key projects:

- Smart working technologies
- Electronic document management
- A new financial management system (including HR functionality)
- Back office infrastructure improvements (server renewals, data storage & key back office software upgrades)
- Roll out of Windows 7 and Office 2010 for 1500 desktop & laptop

computers

A number of these projects have been delivered or are very close to completion. Benefits delivered will include:

- Improved ability to work from home and other locations
- New, improved and cheaper system for Finance and HR
- Electronic document management delivering information when and where required and less reliance on paper
- Windows 7 and Office 2010
- ICT options for Councillors
- Innovation & support for Improvement & Change (Big Review)

There have been delays to the renewal of the financial management system which was intended to go live by the end of October 2013 at latest and will now go live by the end of December 2013. The delays have been caused by contract discussions with the specialist supplier of the finance system and a more complex than anticipated data migration.

4. ICT Outage major incident

There have been some issues and delays in back office infrastructure projects caused by the severe failure of the data storage servers which led to a complete loss of ICT services during late February. There have been a number of actions taken as a result of this loss and these are summarised below and (where commercial in confidence) in a separate, confidential Part 2 report to this Committee.

Assurance

The Council has undertaken a broad based review of the situation which happened and wider ICT provision. National Computer Centre (NCC) were engaged to provide a report focusing specifically on data storage but some wider issues of Northgate services. The report highlighted some areas for improvement and the Council is addressing these with Northgate through a structured improvement plan. The intention of both the Council and Northgate is to ensure that this situation, or a similar fundamental failing, will not reoccur.

Resilience

A broad based infrastructure review has been conducted. At this point there are no further actions to take forward but this will need to be re-visited in the coming months to consider if the Council wishes to make further provision (at cost) in this area.

Business Continuity

The warranty position for all key infrastructure components has been re-checked (no actions necessary other than normal warranty extensions) and the ICT backup position has been re-validated (work not finally complete but believed no action necessary). ICT has worked closely with other parts of the Council to ensure business continuity arrangements are understood and available for rapid deployment in a controlled manner.

Commercial & Supplier Management

The Council has sought to ensure proper value for money from suppliers of ICT services. This matter is detailed in a separate confidential report as they relate to the details of a contract between the Council and a supplier.

5. ICT continuous improvement & efficiency

The business as usual side of ICT work has also seen significant progress over this period. Highlights include:

- 25% saving on predicted capital spend:
  - improved, more realistic engagement with Northgate and other suppliers e.g. renegotiated day rates delivering
- Cash savings delivered
  - £100k in 12/13
  - In excess of £250K in 13/14 from areas such as
    - Vodaphone to O2 mobile contract move- £60,000
    - Extending life of desktop and server estate - £25,000
    - Taking a tough stance on licensing and commercials - £40,000
    - Rationalisation of servers & decommissioning - £15,000
    - Take on of reprographics for Bracknell Forest Council (being finalised) - £60,000
- An improved relationship and delivery to Council business units and a building reputation for excellent service even in adversity
- Improved information security
- A rapidly developing role in innovation and improvement

6. The Future

Expectations of ICT are that it fulfils the following role:

1. Information technology delivers on it's potential in the modernisation of Council services
2. Good value and contributes to financial challenges faced by Council
3. Properly managed to professional standards
4. Innovative and engaging

The performance of ICT systems has been severely impacted during 2013 with knock on effects to the essential programme of work but recovery is nearly complete and delivery in many areas is strong, especially on efficiency and business partnering relationships.

There is a key decision to be made shortly about our strategy for future sourcing of ICT services.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	n/a		
Next Financial Year (Year 2)			
Following Financial Year (Year 3)			

Other financial information relevant to the Recommendation/Decision
N/A

Cross-Council Implications (how does this decision impact on other Council services and priorities?)
See above 'Outcome/Benefits to the Community'

Reasons for considering the report in Part 2
Refers to Information relating to the financial or business affairs of any particular person

List of Background Papers
None

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