

Report of Assistant Director

ICT SHARED SERVICE UPDATE

1 Purpose of report

This report provides an update to members on the matters relating to the shared ICT (Information and Communication Technology) Service in terms of service delivery and the transformation programme.

2 Executive summary

As well as detailing current service challenges, the report updates members on progress with the implementation of various aspects of the joint ICT Strategy.

3 Appendices

ICT Transformation Update

4 Proposed action:

4.1 The committee is invited to RESOLVE to note the report.

5 Background

5.1 The existing ICT Shared service was formed with East Northamptonshire Council in April 2008. Since then 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.

5.2 At its meeting on 27 October 2016, members approved an IT Strategy to deliver the shared vision between the two councils.

5.3 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 across both councils to adopt common processes and improve efficiency
 - Save money
- 5.4 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.
- 5.5 A restructure of the shared ICT service in 2017/18 produced a much reduced cost base with the removal of several posts from the previous structure and projected annual savings of £280,000 were forecast.
- 5.6 At the same time (in 2017/18) a decision was taken to move on site services from both Wellingborough (BCW) and East Northants Council (ENC) to a shared data centre off site for business resilience purposes.
- 5.7 During the restructure of the ICT Service, announcements were made relating to the seven districts across the county and Northamptonshire County Council becoming prospectively two Unitary Councils. As a result of the impact of an increased workload against a reduced workforce and uncertainty about future prospects, the joint ICT Service currently has six full time posts vacant, out of 19 posts (some of which are part time). It is therefore running at approximately 70% capacity. Recruitment for all the roles is in progress, although it has proved difficult to fill the roles with several posts being re-advertised following unsuitable candidates.

6 Discussion

IT Transformation Programme – Phase 1

- 6.1 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.
- 6.2 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 that 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.
- 6.3 During the period of the IT Strategy implementation there has been little or no investment in the IT infrastructure, hardware and software as resources, staffing and budget, have been prioritised to delivering the IT Strategy.
- 6.4 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.

- 6.5 During the recent transition work enabling services in the Data Centre, services to BCW were massively disrupted in late May and into early June, by an unplanned cessation of a vital network connection. The subsequent hasty implementation of services has led to a series of ongoing performance issues with the BCW computer network and together with the lack of key skilled individuals within the ICT service has delayed migration of many services into the new shared data centre. Internal Audit at ENC has been commissioned to review and report on the circumstances surrounding these events with a view to mitigating future similar incidents. It is hoped that a verbal update on this can be provided at the meeting.
- 6.6 To address the ongoing technical issues and the total absence of ICT technical resource (from two vacant posts), ENC have engaged colleagues from a local authority to provide a short term technical resource in the form of one full time equivalent (FTE) ICT Systems Engineer. Whilst not providing complete cover for the team, they have provided a valuable resource to allow continued operation of services. This resource has been engaged until 31 December 2018, with a view to covering recruitment to these two vacant posts
- 6.7 In addition the provider of this resource has also provided a network specialist to help address the ongoing problems at BCW and the outcome of their initial findings is awaited.
- 6.8 Temporary cover (part time) for the ICT Business Systems Manager is being provided by an ICT Consultant engaged to help improve the ICT Service and a full time interim which will provide cover whilst the role is recruited to.
- 6.9 External project management has been engaged throughout the new data centre implementation by Entec Si, along with assistance with other ICT projects such as the implementation of a new shared Revenues and Benefits system. Entec Si has recently been re-engaged to oversee Phase 2 of the implementation of the data centre migration.
- 6.10 There are still a number of older systems in use by the shared ICT service (such as the ICT Helpdesk) and a number of servers / network switches that are in urgent need of replacement for which there is a shortage of internal resource to complete tasks.

Current Challenges facing the Shared ICT service

- 6.11 As can be seen above recruitment and retention of key skills within ICT is major issue. Not just to progress the implementation of new services in the new data centre and so realise further cost savings, but also to maintain current service levels. Measures have been taken to reduce service desk hours in order to focus resources on key priorities. However, progress on implementation of a number of key tasks to improve the service has suffered, as the time and skills required to diagnose and resolve a number of ongoing problems have not been available.

- 6.12 The next stage of ICT investment requires solid foundations in both the ICT network for BCW and ENC and within the data centre. At present concerns over the performance of the network, particularly at BCW, are preventing further progress on migrating services. Planning work for follow on stages that involve the replacement of the ICT desktop used by both Councils and the prospective use of more up to date laptops and tablets using Windows 10 operating systems is now taking place. It will be unwise to implement these new devices until current infrastructure issues are fully addressed.
- 6.13 The initial use of local government colleagues from elsewhere to provide some technical resource has been successful and discussions with them to expand the use of their resources are ongoing. Whilst full time posts remain unfilled, this will continue. There may be a role ongoing in covering the need to resource the implementation of new projects such as Windows 10 and new desktop equipment, as previous experience suggests that the permanent establishment could not sufficiently resource the additional work beyond Business As Usual (BAU).

7 Legal powers

This report does not give rise to any further consideration of the discharge of powers by BCW or ENC.

8 Financial and value for money implications

- 8.1 The reductions related to the implementation of the revised / restructured ICT Service can be regarded as successful. However the recent delays in moving services to the new shared data centre have had cost implications relating to increased project management costs, requirements to maintain licences and maintenance on existing equipment and software, along with temporary resources to cover vacant posts.
- 8.2 The continued use of some data lines and systems based on older servers is currently being assessed. It is likely this will impact on some of the projected savings for this year.
- 8.3 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.
- 8.4 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

8.5 The annual savings targets row in the table above shows the total level of savings across both BCW and ENC, which are split 50:50 between the councils. Wellingborough'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

9 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Financial savings for 2018/19 are reduced by delay in implementing changes due to reduced staffing levels	Self explanatory	Currently this is highly likely .	Discussed in the report, use of capital funds to engage further external assistance
Failure to demonstrate compliance with PSN security standards	Possible censure by DWP and restriction of access to their services	Very unlikely that censure will occur given that many councils are now in this position and incentive to take action is low.	Discussed in the report and will be resolved by full migration of services and completion of a cyber essentials audit followed by subsequent actions
Loss of key skills / knowledge within the ICT service.	Actions required by the ICT service not carried out, delayed resolution to problems	Currently high as to some extent this has already happened.	Use of external resource to bolster local experience and provide skilled resource to return to if need with an eye on unitary status.
Failure to deploy new technologies	Could impede transformation of services across the Council through the inability to utilise new devices and systems safely.	Moderate , currently it will be possible to bring back the actions required within acceptable timescales.	Progress on the other infrastructure issues is required, but planning activities can be commenced.

10 Author and contact officer

Warwick Andrew (Interim ICT Business Systems Manager) ENC

11 Consultees

Karen Denton, Assistant Director BCW
Michelle Drewery, Head of Resources ENC

12 Background papers

Exempt report considered at Extraordinary Council on 27 October 2016

ICT TRANSFORMATION PROGRAMME**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.

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 (ENC).