Agenda item:

[No.]

Cabinet	On: 13th July 2010

Report Title. **IT Strategy 2010-13**
Report of: **Director of Corporate Resources** Signed :
Contact Officer : David Airey, Head of IT Services

Wards(s) affected: **N/A**	Report for Key Decision

1. Purpose

1.1 To set out the IT strategy for the period 2010 to 2013, the business priorities which it addresses, the pressures for change and the strategic projects required to deliver it.

1.2 To seek approval for the IT Strategy for 2010 to 2013.

2. Introduction by Cabinet Member

2.1 I recommend this report and the IT Strategy 2010-13 to Cabinet.

2.2 I am confident that the governance arrangements that underpin the delivery of this strategy will ensure a robust and rigorous approach to managing the risk of its implementation and ensure that the desired outcomes are delivered.

2.3 The IT Strategy 2010-13 sets out a clear vision for the IT activity that needs to be undertaken to deliver the strategic projects which address our current business priorities and the renewal of our IT infrastructure. The delivery of this strategy will be a key enabler in the modernisation of services to residents, improving the customer experience and supporting the realisation of the efficiency savings required in future years.

3. State link with Council Plan Priorities and actions and other Strategies:

The IT Strategy outlines an approach to the delivery of IT services which ensures alignment between IT activity and business priorities. The IT Strategy proposed has been developed on the basis of business priorities and acknowledges the important role IT plays in both supporting everyday business activity and enabling the Council to realise the efficiencies required in the current economic environment.

In particular, the Council Plan Priorities are supported in the following manner:

Delivering High Quality, Efficient Services
- Delivering value for money and enabling the Council to realise efficiencies is a constant throughout the strategy and will be achieved by: using IT in an innovative manner; the improved performance of the infrastructure; and the implementation of new e-enabled processes across Directorates.
- Engaging and empowering people will be delivered by the proposal which develops the web service to improve opportunities for resident interaction with the Council and their involvement in the Council's decision making process.
- High quality customer focused services will be delivered through the IT enabling of the Customer Contact Strategy.

A Cleaner, Greener Haringey. Green computing is a high profile item in the proposals and influences many of the ways in which IT Services operates, from sourcing equipment, through delivering the service in the most efficient manner, to recycling. This is best exemplified by the proposal to improve the efficiency and sustainability of our Datacentres.

A Safer Haringey. Safeguarding vulnerable people is best achieved by sharing information across Directorates and with partners. The target information resides across multiple IT systems and is often difficult to access and cross relate. The strategy addresses this by proposing an expansion of the IT infrastructure which will expose this raw data and make it more available for sharing.

3. Recommendation

3.1. Cabinet approve the IT Strategy 2010-13 and the implementation of the projects therein.

4. Reason for recommendation(s)

4.1.   It is essential that the Council have a strategic approach to the deployment of IT systems.

4.2.   The delivery of the IT Strategy 2010-13 and the associated benefits are aligned with the Council's priorities.

4.3.   The strategic use of Information Technology is a key enabler for realising efficiencies through the Haringey Efficiency Programme.

4.4.   The strategy is aligned with the Government's ICT strategy.

5.   Other options considered

5.1.   The Council pursue an approach which is not strategically planned and is reactive in nature. Whilst this may deliver short term tactical solutions for Services which meet the Council's priorities at any particular point in time, it will not deliver these in a manner which takes a holistic view of the requirement and in so doing will increase the likely cost and reduce the overall level of system integration possible.

5.2.   The Council repairs or replaces the current IT assets when broken. This is not considered to be a feasible option as the current IT infrastructure is now approaching end of life when it will no longer be supported by manufacturers, will be incompatible with the latest technology and for which replacement parts and security (e.g. virus) updates will not be available. Adopting this approach will necessarily result in regular unplanned outages of the IT service which will significantly reduce the level of Frontline and Back-Office service delivered. Many of the IT systems used by Services support business critical activities (e.g. social care, childrens services, benefits processing) and the unavailability of these IT systems for periods of time would directly impact residents. In addition the potential security risks that would arise (through unavailability of security updates) will compromise the Council's ability to share information with outside parties and agencies (e.g. safeguarding information).

6. Summary

6.1. **Current Situation**

IT Services provides specialist support and strategic direction for Haringey's ICT, encompassing:

- Operational maintenance and support, including Service (Help) Desk and technical change management;
- IT project management;
- Supplier relationship management and procurement;
- Finance, Business Continuity Planning and IT Security; and
- Business aligned strategy and technical architecture.

IT Services delivers services to 5000 staff in the Council and its partners at 200 locations across the Borough and neighbouring areas. Secure mobile, remote and flexible access to the network and applications is also provided.

6.2. The last IT strategy was developed in 2002 and set out a roadmap for the major developments in IT in recent years, a major component of which was the replacement of the infrastructure in 2004/05.

6.3. An independent benchmark against other London Boroughs, undertaken by the Society of IT Management (Soc**itm**) demonstrates that IT Services are currently delivering value for money. It indicates that user satisfaction levels are good, performance is in the upper quartile, and cost in the middle range. However, Soc**itm**, in a Value For Money review, also identified that investment in our IT infrastructure is below the London median.

6.4. **Business Priorities & Pressures for Change**

The IT Strategy has been designed to ensure that IT supports the **business priorites outlined in the Council Plan**. The specific **pressures for change** addressed by the strategy are:

- Value for Money and the Economic Climate which will drive the Council to generate savings over the next few years as the Government responds to the recession through anticipated cuts in public spending. Information Technology is seen as a key enabler for realising efficiency savings through the Haringey Efficiency Programme.

- The Customer Dialogue which demands: better communication with the wider community and greater community involvement in decision making; improved customer focus through a more integrated approach to customer management; and integrating and sharing data to provide a better focus on frontline services.

- Safeguarding vulnerable children and adults which requires improvements in the quality of systems and data used.

- The IT infrastructure which is now over 5 years old and will need to be replaced or we will see a significant deterioration in its supportability and the level of service provided.

- Sharing information across local and national government which is critical to the effectiveness of the organisation and is at the heart of the Government's ICT Strategy.

- The Greenest Borough Strategy which outlines our commitment to the efficient use of energy and natural resources.

6.5.   **The Strategic Way Ahead**

A series of projects and areas for investigation are proposed in the strategy. The strategy requires that each of the projects must have its own business case and be approved by the Corporate IT Board. The Corporate IT Board are currently undertaking a re-prioritisation exercise of proposed projects with the objective of identifying those with the greatest potential to realise efficiencies.

Broadly the strategy divides into the following areas:

- The **strategic business projects** which will be required from IT Services to help underpin and provide innovative solutions to the Council's priorities and vision as well as enable efficiencies to be realised;

- The **technical infrastructure projects** which are required to ensure that IT Services provide a secure and reliable IT environment which: replaces the existing infrastructure in a phased manner; will guarantee a stable platform for new business projects; aligns with the Government's ICT strategy; and ensures the performance of existing applications;

- The **Shared Service** opportunities which will support collaboration and joint working across, central, local government and other agencies. In particular IT Services is actively participating in projects underway for local government across London and looking to reduce the costs of IT products and services through the development of shared services and joint procurement.

- A demonstration of how IT Services will ensure that all costs are transparent,

agreed and represent **value for money** across all services.

- An explanation of how **IT Services will communicate and consult** with our stakeholders, customers and partners.

- A focus on how IT Services will develop and sustain **a professional and highly motivated IT workforce** which delivers 'right first time' and exhibits a culture of continuous improvement.

6.5.1. **Strategic Business projects**

6.5.1.1. The IT Strategy identifies a series of common themes and cross cutting business initiatives across Directorates which:

- Seek to improve customer focus and position customers at the 'heart of the council';

- Develop the Council's web facilities and improve resident participation in the Council's decision making, support channel shift, and deliver advanced content management;

- Extend the ways in which customers interact with the Council by providing greater scope for transactions over the web;

- Support the Council's ambitions to be more environmentally sustainable by developing a range of green computing initiatives;

- Improve staff effectiveness and efficiency through better document and process workflow;

- Drive forward flexible, mobile and home working;

- Make the best use of the current IT systems portfolio and continue to exploit key corporate applications such as SAP;

- Position the Graphical Information System as the master repository for location based information; and

- Improve the technologies and applications used to help the Council acquire a better understanding of performance.

6.5.1.2. Within individual Directorates, the strategy acknowledges the important role IT plays in supporting everyday activity and the need to ensure that critical applications are maintained and upgraded as appropriate.

Particular initiatives within Directorates are:

- In the <u>Children and Young People's Service</u> the key areas for action/investigation are: the Children's Centre Database, Sharing Information between partners; Framework-i, Impulse, FIS and the use of the Library System by Schools.

- The <u>Adult, Culture and Community Service</u> requires the implementation of Framework-i payments, completion of the NHS Code of Connection, Messaging with the NHS and support for the Support First project.

- <u>Urban Environment</u>'s use of CRM will be developed in the SAP Strategy project, Parking systems requires further development, the use of Electronic Document Records Management (EDRMS) will improve efficiency and value for money and the future direction of Housing software requires to be established.

- The inclusion of succession planning and talent management in the SAP Strategy and technology which supports Community Engagement will be critical to <u>People and Organisational Development</u>.

- <u>Policy, Performance, Partnerships and Communications</u> will be key stakeholders in the Council's data and knowledge management strategy and ensuring the intelligent use of information across the Council. The development of GIS and the social media capabilities of the Web will also support business priorities; and Communications will require to be supported by specialist IT technology in niche Services such as Marketing.

- <u>Corporate Resources</u>' priorities will be best served by the SAP Strategy and EDRMS projects and a variety of smaller activities (including e-Benefits and e-Payments) which are detailed in the Corporate Resources section.

6.5.2. **Technical Infrastructure Projects**

A secure, reliable infrastructure is required to deliver the strategic business projects. The focus of this will be to: ensure that there is a phased renewal of the ageing infrastructure (consistent with the Government's ICT strategy); provide the tool set which facilitates business and resident interaction and collaboration over the web; and implement products which support flexible, mobile working. The infrastructure strategy recommends:

- The replacement of servers within the Council's data centres with more space efficient and less power hungry equipment;

- The replacement of our current approach to the storage of files;

- Greater levels of infrastructure security and support for the emerging mobile

workforce and partnership working;

- The continued rollout of the convergence of the voice and data networks;

- The introduction of Wireless networking into Council offices; and

- The phased renewal of our ageing PC clients (desktop and mobile devices).

6.6. The strategy proposes a vision for IT which is designed to address Haringey's business priorities, presenting choice and flexibility for both employees and customers. The options available are described as is the action which needs to be undertaken to ease the pressure and accrue benefits.

6.7. Each of the projects proposed will only be undertaken after a Business Case outlining the financial cost; the resources required; the total cost of ownership; and the benefits achieved has been formally agreed by the Corporate IT Board (CITB).This Board is a senior cross directorate management forum, chaired by the Director of Corporate Resources and has already reviewed and agreed the proposals in the IT Strategy. Final approval of all projects is in consultation with the Lead Member for Finance and Sustainability.

6.8. Once project approval has been granted the timeline for delivery will be defined.

6.9. The political and economic climates are subject to continual change and, as such, the IT strategy must be capable of adapting to these changing business priorities. This will enable the business to have the ultimate choice in what project is or is not undertaken.

7   Chief Financial Officer Comments

The Chief Financial Officer has been consulted over the financial implications of the proposed strategy from an early stage.

7.1   The strategy contains two key strands; technical infrastructure renewal projects and strategic business projects.

7.2   The proposed technical infrastructure renewal will be delivered in a phased approach over the next 4 financial years. This investment is essential to maintain on-going service provision and to mitigate against the risk of failures in the IT infrastructure occurring. The technical infrastructure renewal consists of projects within each of the main strategic themes:

Efficient and Sustainable Data Centres	£1,030,000
Desktop/Mobile Working (PCs, laptops etc)	£3,880,000
Security (e.g. Firewalls)	£ 375,000
Voice and Data (i.e. Networks)	£ 924,000
Support Service (Service Desk and User Support)	£ 184,000
Resources	£1,180,000
Risk provision	£ 757,000

Total   £8,330,000

The risk provision (10%) has been included to provide both contingency on a programme of this size and to cover exchange rate movement risk given that IT equipment is frequently based on a US dollar pricing structure (in the past 12 months the US dollar price movement for IT equipment has fluctuated and increased by 8%). This brings the total estimated cost to £8.3m over the period of the technical infrastructure renewal.

Business cases will be required for each project within the technical infrastructure renewal programme and the cost profile will be finalised once these have been approved. A review of the overall cost profile will also take place on a regular, and at a minimum annual, basis.

7.3   The technical infrastructure renewal will be funded primarily from within the current IT revenue budget with some one-off funding from the infrastructure reserve (£ 950,000) which has been built up over recent years. The latter is a key financing resource for renewal of assets and serves to spread the costs of core replacement and improvement of assets.

The current IT revenue budget also has provision for the repayment of loans relating to the previous capital expenditure from the last renewal of the IT infrastructure. These loans end during 2010/11 and the resulting monies have been included in the funding sources for this infrastructure renewal with £594,000 becoming available during 2010/11 and the full amount of £1,309,000 in each subsequent year.

In addition as the phased implementation of the new technical infrastructure takes place, there will increasingly be less need for expenditure on break/fix as new hardware will have been replaced before it has reached end of life and prone to failure. It has been budgeted that this will release £250,000 per annum of IT revenue to contribute to the funding of the infrastructure renewal.

Finally the decision has been taken to remain within the current licence arrangements with Microsoft where practical for the duration of the technical infrastructure renewal. This means that the Council will be primarily licensed to use Microsoft products up to the Microsoft Office 2007 suite but not beyond and will release £500,000 of revenue costs per annum to contribute to the funding of the infrastructure renewal.

In summary the total of the above funding for the technical infrastructure renewal equates to £ 8.5m against an estimated cost of £8.3m over the four year period. Corporate Finance have assessed both the funding sources and the cost models and confirm that the funding is in place and the costing appears reasonable based on a like for like replacement of equipment and the current known IT user estate.

7.4   The strategic business related IT projects that Services require will be funded from the Council's corporate IT capital allocation which is currently managed via the Corporate IT Board in consultation with the Lead Member for Finance and Sustainability. The Council's Financial Planning Report 2010/11 – 2012/13 allocated £0.750m to the IT capital programme in 2010/11 with a further £1.5m provisionally earmarked across the following two years. This capital investment is funded from receipts generated from disposal of Council assets and the recent and continuing difficult economic conditions are having an impact on value and timing of these receipts. The Council is undertaking a detailed review of planned capital spend in the light of this pressure which is likely to impact on funding in the short to medium term. Any approved investment from the corporate IT capital allocation is subject to business case approval and will need to focus on delivering efficiency savings for the Council.

7.5   The proposed investment in the technical infrastructure renewal at this stage is presumed to be cost neutral in terms of on-going revenue costs however, investment in the strategic business projects can come with new revenue costs such as maintenance and licenses. The value of these will form part of each business case to ensure that the full whole life cost of each project is understood and sufficient on-going funding is identified.

7.6   Given the significant financial challenges facing the Council in the medium term and the need to look for innovative, smarter and more efficient ways of working,

doing nothing with our IT assets is not a recommended option.

7.7   In terms of risk associated with the proposed IT strategy, the incremental, 'evergreening' approach to the delivery of IT infrastructure renewal activity, plus the introduction of business driven governance (the Corporate IT Board) represents a significant departure from the old model of IT delivery and should facilitate strict budgetary control. Corporate Finance will continue to play a major role in the governance of this strategy throughout its implementation. This approach will mitigate against risk. Appendix 2 describes the governance structure for the technical infrastructure renewal which incorporates the recommendations from the 2006 Audit Commission report on IT project management.

8   Head of Legal Services Comments

8.1   The adoption of a robust IT Strategy will help the Council to meet its statutory obligations. There are no specific legal implications.

9   Head of Procurement Comments

9.1   All procurement activity will be undertaken in line with the Council's procurement rules and Public Contract Regulations.

9.2   The adoption of a Category Management (One Council) approach to procurement should ensure that the most appropriate sourcing methods are identified; e.g. shared services, collaborative procurement or traditional tendering etc.

9.3   The Head of Procurement will play an active role in the procurement and sourcing strategy of all IT infrastructure.

10   Equalities & Community Cohesion Comments

10.1   An equalities impact assessment has been carried out to ensure that any potential impacts are properly assessed.

10.2   Generally technology does not impact on the different groups of people segmented

by age, gender, race/ethnicity, religion/belief and sexual orientation. For staff with disabilities technology can be a positive enabler for access to work. A number of Council staff use specialist equipment and software to support them. The IT Strategy will ensure that the Council's infrastructure will continue to support the latest software and equipment available.

10.3   By further enabling flexible and home working, the IT Strategy will provide more options to staff with specific needs to remain in employment. Mobile working enables frontline staff to support vulnerable residents in their own homes.

10.4   In supporting the business strategy to enhance web facilities and functionality the IT Strategy provides additional channels for residents to interact with the Council and access services without physically attending Council premises. The IT Strategy will ensure that, when enhancing the current web facilities for residents, the required accessibility standards for website usage are maintained.

11   Consultation

11.1   Internal Consultation - The IT Strategy has been considered and approved by the Corporate IT Board. This involved a detailed review of the Infrastructure Strategy by a Corporate IT Board sub-committee and reviews of the Directorate IT Strategy with the individual Directorates. All feedback received during these reviews has been incorporated in the latest version.

11.2   External Consultation – The Society of IT Management (Socitm) has reviewed the strategy and commented that "..the IT Strategy is well structured and comprehensive.."

12 Service Financial Comments

12.1   The funding for the technical infrastructure renewal will predominately come from within existing IT revenue budgets with draw down from the infrastructure reserve to manage one-off costs that cannot be accommodated.

12.2   The funding for the strategic business projects comes from the Council's IT capital programme allocation which is currently managed via the Corporate IT Board. Funding for each project is only agreed once a robust business case is received

and agreed; this will set out the expected outcome of the investment, why it is required, why it can't be delivered in any other way and also highlights if there are any revenue costs associated with the investment and how these will be funded.

13 Use of appendices

13.1   IT Strategy 2010-13.
13.2   IT Infrastructure Strategy Governance

14 Local Government (Access to Information) Act 1985

         Not applicable.