

## HAMPSHIRE COUNTY COUNCIL

<b>Committee:</b>	Policy and Resources Select Committee
<b>Date:</b>	27 October 2011
<b>Title:</b>	Annual IT Update 2010/11
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<b>Report From:</b>	Head of IT, Culture Communities and Business Services Department

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### 1. Purpose of Report

- 1.1. This is the annual update on IT developments and performance for Policy and Resources (P&R) Select Committee. It considers progress over the last year and summarises priorities ahead.
- 1.2. The last annual report to the Committee was in October 2010 and included the summary of the then recently agreed IT strategy for the County Council.

### 2. Context for IT

- 2.1 It has never been more critical that IT is fully aligned to the priorities of the County Council, and in particular in three areas:
  - **'Business as usual'** IT which is low cost, well-run, responsive and does what is needed to support day to day running of services.
  - **IT reducing its own costs** and simplifying what it does as part of the Council's overall efficiency programmes.
  - **IT contributing to the change programmes** and shared service priorities of the Council, being a fundamental enabler of those changes.

This annual update report summarises the key activities in these areas.

- 2.2 During the year an IT Board was set up to ensure collective oversight of IT investments and the close alignment and transparency in all IT activity. The Board includes cross-departmental representation, and for information for members, the Terms of Reference is attached at **Appendix A**.
- 2.3 One of the main challenges now facing IT lies in reconciling the many demands. This is not just meeting growing requirements with shrinking resources, but also managing the expectations of IT:

- Balancing organisation-wide and departmental interests.
- Harnessing opportunities offered by new technologies (eg. 'Cloud Computing') whilst exploiting existing IT investments better.
- Being close enough to all Council programmes, policies and strategies which are dependent on IT for their success, especially to manage the risks.

2.4 Compared with many local authorities, Hampshire County Council has some particular IT strengths: deep adoption of new ways of working enabled through IT, technology infrastructure and IT delivery experience. Our main challenge lies in ensuring we can make sufficient investment to maximise the value IT can deliver, especially in process automation, simplification or elimination.

### **3. Performance, Projects and Systems**

- 3.1. Despite the amount of change and the high level of headcount reduction, IT continues to provide good levels of satisfaction as well as a low cost base. In September 2011 the monthly IT satisfaction survey recorded the highest level of IT satisfaction since 2008.
- 3.2. One area of improvement targeted over the last year has been in IT project performance, and this has seen improvement as a result of greater transparency, a new corporately agreed project prioritisation mechanism and stronger business ownership through the IT Board.
- 3.3. All IT-enabled projects and programmes now go through a standard 'bid' process to establish a priority rating, scrutinised by the IT Board.. The number of projects overall has reduced, and plans are now well advanced to implement a 'programme and project resource management system' shared with Property Services and the Environment Department to further streamline the way scarce technical resources are allocated to work. Measured productivity of staff has also increased on project work, partly as a reduction of management overheads, simplification of process and a smaller number of projects to deal with.
- 3.4. There are too many projects to list them all here (about 150 a year), ranging from relatively small but very important work for departments to large programmes of change. For example:
- The HantsFile document management system has now reached over 4500 users, storing nearly 2 million documents.
  - Work has been implemented to improve the usability of SAP, Exor and SWIFT (eg the 'Quickview' interface).
  - Over 220 schools have now been migrated to HPSN2 and a new integrated telephone services has been agreed with partners.
  - A new 'report it online' highways defects systems has been launched with some early evidence of improved satisfaction and efficiency.

- Significant increase in self-service use of mapping data to support decision making with presentations to member recently.
- PrintSmart has now been delivered to a large number of sites, generating efficiencies and reducing carbon footprint.

- 3.5. The availability of systems remains high, - the only serious interruption to service being outside our control (eg. as a result of malicious damage to part of the network in the Basingstoke area which affected many organisations).
- 3.6. Two awards have been won over the last year, with a commendation for IT energy use in the Government Business Awards and the winner of the best European Sustainable Data Centre.

#### **4. IT and Shared Services**

4.1 External business activity for IT is now in excess of £11million which equates to just under 30% of the total activity for IT. This figure increased by £1million in the last 12 months and is set to grow further, with much of this activity being based on work to support schools. Hampshire IT now supports of the order of 60,000 devices – PCs, laptops, and phones.

4.2 The two main aims of IT shared services arrangements are:

- To support Council's partnership priorities by, for example ensuring IT infrastructure is in place to enable joint working and information sharing.
- To increase IT income, create economies of scale and protect scarce technical capacity during wider cutbacks.

4.3 In the first area, work with schools is an example. So far all Hampshire schools that previously purchased services have continued to do so following conversion to Academy status. In addition, 99% of all schools that were previously on the Schools Wide Area Network (SWAN) have bought back into the Hampshire Public Services Network (HPSN2). There is also growing interest in the new 'Hosted Schools Service' (HSS), with 13 schools now using the service, and a further 8 are planned for the autumn term. The revenue from these phases is worth in excess of £3million over a 5 year contract and the total programme may reach £100million over 3-5 years.

4.4 In the second area, work has continued on developing the Hampshire Public Services Network (HPSN2) across public service organisations, and discussions have recently begun with health organisations in Hampshire and a pilot scheme of 3 schools within Southampton City Council is underway. This initiative has been nationally praised as a lead for other public service organisations, and provides a shared platform on which a range of shared services can be delivered.

4.5 Last year I reported on the early work with Dorset County Council to develop joint working arrangements for IT. This has progressed well and a shared service for IT disaster recovery is now in place, reducing cost and increasing resilience for both councils. Joint SAP technical teams have also been

established to create economies of scale. Other departments are now looking at the possibility of joint working, including Libraries, the 'People's Network', Children's Services systems sharing Social Care applications.

- 4.6 Work is also beginning with Hampshire Fire and Rescue Services (HFRS) and Hampshire Constabulary (HC), following the recent agreement to explore the potential shared corporate services. The County Council already partners with HFRS on the HPSN2, SAP and desktop services.
- 4.7 During this year a Memorandum of Understanding has been signed with Oxfordshire County Council for joint SAP work and a programme will be developed to ensure shared benefits. Early discussion have also begun with Central Bedfordshire Council who have approached Hampshire County Council to see if we can manage their IT.
- 4.8 A joint procurement of a Property Management System with Surrey County Council is well advanced and the County Council will be sharing a programme of procurement with the South East 7 Partnership.
- 4.9 Work also continues in supporting the Havant Public Service Village and discussions have been underway with East Hampshire District Council (EHDC) to create a unified IT infrastructure for the County Council, Havant Borough Council and EHDC. If successful this could provide a model for jointing working in IT with other organisations on a genuine partnership basis.
- 4.10 With the priorities to drive down costs, Hampshire IT has been working with 14 other public service organisations across the country to secure a national framework for SAP with the Cabinet Office. This work was initiated by and is led by the Council, and whilst still in the early stages, it aims to create a lower cost and more flexible basis for sharing SAP contracts.

## 5. Efficiency Programmes

- 5.1 The drive for efficiency has dominated IT activity for the last 12 months, and IT is supporting the efficiency programmes of the County Council in a number of ways:
  - Through the IT Cost Reduction Programme.
  - In support of departmental efficiency programmes, especially where there are reductions in headcount or the need to automate.
  - In support of the wider transformational programmes across the County Council, which are increasing staff productivity (eg. Workstyle) or reducing costs (eg. internal and external self service).
- 5.2 The IT Cost Reduction Programme was begun 12 months ago to find further efficiencies from within IT. Cost reduction was targeted in a number of work streams:
  - **IT contract costs** – renegotiation of the top 75 contracts.
  - **Contractors in IT** – lower reliance on external consultants/contractors.

- **Equipment costs** – more ‘thin client’, more reuse, fewer phones.
- **Support costs** – consolidating teams and further restructuring.
- **Project costs** – fewer projects, increased productivity.
- **IT access costs** – reduced Hantsnet access cost, slower replacement.
- **More from existing systems** – better use of existing systems.
- **Simplifying process** – ‘lean’ processes, less bureaucracy/overhead.
- **Other** – reductions in management and pay and benefit changes.

5.3 A target of £1.9million pa was set and it now looks likely to be exceeded. Part of this is a result of the previous Corporate Services Review of IT in 2009/10, which was reported in the last annual report and resulted in centralised IT in a single team.

5.4 Headcount in IT has reduced significantly as a result of IT reviews and changes which have taken place, including the last CSR, senior management voluntary redundancy (VR) exercises and the last all-staff VR invitation. This has resulted in a total headcount reduction of 78 (17%) since the last annual report:

	<b>Headcount Total</b>	<b>FTE Total</b>	<b>£k pa Savings</b>
2009/11 – IT CSR leavers	37	32.75	1167
2011 – VR leavers – Phase 1	19	17.61	588
2012 – VR leavers – Phase 1	6	6.00	316
2012 – VR leavers – Phase 2	16	12.35	488*
<b>Total:</b>	<b>78</b>	<b>68.71</b>	<b>2559</b>

\*16 posts, 12.35 fte, savings £488k pa but some re-investment

5.5 One of the challenges for IT is that in some areas demands are increasing and there is therefore a need to increase capacity at the same time as reducing headcount. This process is being managed carefully to ensure that there is no overlap.

## 6. Priorities Looking Ahead

- 6.1. The priorities for IT over the next year will be driven by the need to continue to deliver new efficiencies, particularly using IT to support shared services, the simplification, automation or elimination of business processes and increased adoption of internal and external self service.
- 6.2. Support for changes resulting from the current review of Corporate Services Review and for the development of shared services with Hampshire Fire and the Hampshire Constabulary will be key – ensuring we have the capacity and

competency to deliver and that we focus IT resources on the things which matter most.

6.3. Other notable priorities will include:

- support for schools, building on the success to date of the Hosted Schools Service and adoption of HPSN2
- Hampshire Broadband programme – securing maximum value from the government grant for rural broadband
- Further exploitation of the potential of geographic information for planning and self service applications
- Implementation of new systems – the Property Management System and Projects Resource Planning systems are examples, along with market testing for Children’s Social Care and other applications.

## **7. Conclusions and Recommendations**

- 7.1 IT has had another turbulent year of change. Despite this significant programmes have been implemented successfully and IT has had a key part to play in delivering new savings and new ways for working for the Council.
- 7.2 The Committee is asked to note this report which summarises that progress.
- 7.3 The Committee is also asked to note that an IT event for members is planned for 29<sup>th</sup> February 2012 which will showcase IT contribution to service improvement and efficiency.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:</b>	
It is a requested update on IT activity, and IT affects every aspects of the County Councils' functions, as well as being a major expenditure heading.	

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<b>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</b>	
<u>Document</u>	<u>Location</u>
<b>None</b>	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 IT has a key part to play in equalities and diversity. For example, ICT literacy work with staff, the public and silver surfers for which Hampshire County Council IT has won awards in the past

### **2. Impact on Crime and Disorder:**

- 2.1 n/a

### **3. Climate Change:**

- 3.1 Over the years IT has won numerous awards for its sustainable and green technology. In 2011 the County Council was commended in the Government Business Awards for its public sector energy category, and in late 2010 won the Data Centre Europe Awards for the best European sustainable data centre design.
- 3.2 Hampshire IT will continue to build on its low carbon base using 'thin client' technologies (lower carbon to manufacture, use and disposal). Hampshire Workstyle (shared green printing – PrintSmart) and a variety of mobile and flexible working reducing dependency on travel (video conferencing, home working, support for personal devices on the move).

## **IT Board – Terms of Reference**

The IT Board acts as the overall authority for IT matters at the County Council. It seeks to achieve the best efficiency and service improvement through IT, taking decisions on behalf of CMT, setting overall priorities but leaving decisions to the IT Management Group (ITMG) wherever appropriate.

Unless there are good reasons, all proposals to CMT or Cabinet involving IT would be reviewed by the IT Board first.

It supports the Head of IT in particular by:

- Ensuring major proposals for IT enabled change and major IT investments programmes are properly scrutinised and agreed;
- Reviewing and endorsing all major technology shift, strategy or policy change in IT based on a business rationale;
- Resolving, all conflicts of interests, issues and exception reports affecting the organisation as a whole which arise from IT;
- Driving value from IT – through business improvement plans, promoting the importance of an IT skilled workforce alignment of IT investment with Corporate Strategy, and in efficiency programmes;
- Assessing how IT can improve business continuity and reduce corporate risk, especially in data security, compliance and information assurance;
- Reviewing and endorsing any changes to the IT business model;
- Endorsing departmental priorities represented in service plans on an annual basis and their collective impact;
- Receiving regular performance reports on Projects and Programmes including action plans to resolve issues or gateway reviews.

### **Representation:**

The Board has representation from all departments at the level of Head of Resource, who work collectively in the interests of the County Council as a whole.

Karen Murray – Director of CCBS  
Jos Creese – Head of IT  
Carolyn Williamson - County Treasurer  
Richard Ellis – Deputy Director, Adult Services  
Felicity Roe – Assistant Director (Performance & Resources), Children’s Services  
Michelle Smith – Head of Resources, Chief Executives’  
James Strachan – Assistant Director of Environment Strategy and Communications  
Ken Howard - Assistant Director, Resource & Improvement, CCBS  
Sally Geer – Head of Programmes and Projects, IT  
Richard White – Head of Resourcing, Pay and Contract Support Services HR

The lead Member for IT, Councillor Keith Evans, has an open invitation to attend.

There will also be regular invitations to Chairs of programme boards

### **Meeting and Reporting:**

The IT Board will meet quarterly, and report annually to CMT on the performance of IT.