

HAMPSHIRE COUNTY COUNCIL**Report**

Committee:	Policy and Resources Select Committee
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Title:	Annual IT Update
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Report From:	Director of Corporate Resources

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1. Purpose of Report

1.1. This report is the annual IT update. It considers the main IT activity over the past year and summaries the priorities ahead.

2. Contextual Information

2.1. Following a review of IT Services Nov14-Jan 15 IT has embarked upon a change programme to ensure its operating model is correct to support the Council's transformation priorities and the Digital Strategy.

2.2. IT activity has focussed on supporting the major transformational programmes of the County Council. In particular, the shared services initiative providing the technology underpinning the Integrated Business Centre (IBC)

2.3. IT Services has a T2017 savings target of £2.5M

2.4. IT Staffing pressures continue to present a challenge, owing to a buoyant IT marketplace which makes the recruitment and retention of top quality IT professionals difficult.

2.5. IT Security, customer access, availability, business continuity and accessibility are the key technology drivers which are all embodied in the Digital Strategy.

2.6. Delivery of IT to schools in Hampshire is a significant source of external income. The Hosted School Service (HSS) continues to grow, as does the delivery of HPSN2 and Core support services under the Schools SLA.

3. Consultation and Equalities

3.1. As this is an update report, no consultation has been undertaken

4. IT Finance

4.1. The following table summaries the main cost elements which make up the IT internal cash limit budget:

		2014/15 actuals	2015/16 budget
		£'000	£'000
Employee Costs		17,838	18,222
Premises Related Expenditure		279	225
Transport Related Expenditure		164	175
Supplies and Services		21,337	17,570
Support Services		-177	45
Total Expenditure		39,442	36,237
Non-Schools External Income		-4,714	-5,008
Schools income		-11,199	-10,457
HCC trading units		-1,678	-1,225
HCC departmental income		-2,429	-2,537
Total income		-20,020	-19,227
Net expenditure = cash limit		19,422	17,010

4.2. There are three significant factors contributing to the projected decrease in net expenditure:

- Significant savings have been made in the purchasing of hardware devices, by driving best value from the framework purchasing.
- Completion of the Public Services Network Compliance (PSN) which was completed without some of the projected hardware spends.
- Saving made against the Hampshire Public Service Network (HPSN2) Contract
- Staff savings were made from the automation of Data Centre operations overnight - £190K

4.3. Employee costs are projected to be raised owing to the need for additional contract staff to deliver some key projects – IBC/Shared Services and temporary contractor backfilling for a number of key vacancies.

5. IT Performance Metrics

5.1. Traditional IT metrics are less and less relevant in a modern business where IT performance is measured by business outcomes more than unit costs of IT, system response times and availability of services. The following nonetheless give an indication of the underlying IT performance and scale of activity:

- Approximately 375 staff, mostly permanent employees but some contractors. A significant proportion of this resource is funded through external income, assisting with the retention of scarce capacity and skills.

- Although service limitations are being introduced to reduce costs, IT continues to provide seven days a week service, with very little downtime, and Helpdesk and core support teams provide full cover from 7.30am until 6.00pm.
- Helpdesk are closing nearly 2,600 calls each week. Well over 90% of calls are answered and the average wait is less than 22 seconds. 1,800 calls are solved at first point of contact Plans for greater automation and self service are reducing the overheads of this service significantly over the coming year.
- There has been a reduction in the number of projects in which IT are engaged – reducing from previous levels of up to 150 to now around 50-60 IT projects at any one time. A number of these are funded externally or reflect major transformation programmes dependent on IT. Some are IT infrastructure projects. A small proportion is discretionary departmental IT projects.
- In the year to date, despite heavy re-prioritisation of activity, over 80% of projects delivered have been rated as Good or Excellent by the customer.
- Overall IT customer satisfaction levels are monitored through a regular electronic automated random survey on a monthly basis. Performance previously noted as poor has markedly improved with the migration from Passport to Connect and the move of the Ordering process directly into IT Services.

6. Main IT activities over the last 12 months

6.1. There are too many IT projects from the last 12 months to list in detail here. However the following are listed by way of examples:

- Hosted Schools Service continues to grow with an additional 10 schools rolled out bring the total to 110 schools.
- PSN compliance has been achieved, along with continued certification for ISO2000 and ISO27001 for Business processes and security. These are important certifications for the acquisition of additional shared services.
- IT services has been restructured. Working with our PSP2 partner, the entire IT organisation has been restructured to reflect industry best practice and the requirements of Digital Delivery to 2020.
- The IT management team has been reshaped and a successful recruitment has bought in a new Head of IT Strategy and Planning.
- The EVR programme has delivered £1.4M of annual savings and the restructure has added and additional £0.5M of annual savings.
- A pilot 'grow your own' programme of bring in A-Levels and graduate trainees is under-way and is already producing a cadre of useful IT staff. Planning on another tranche is currently in progress.
- Following the successful launch of the IBC for HCC and Hampshire Fire and Rescue, Hampshire Constabulary and Oxford County Council have been successfully on-boarded delivering services to 85,000+ members of staff.

- Major new systems for the Youth Offending Team and Schools have been delivered as part of the Children's Services transformation programme (Special Educational Needs and Disability system planned for end 2015).
- A procurement and replacement of the storage and backup platform for all Digital data has been completed and is in production.

7. Main Activities Looking Forward

7.1. The priorities for the coming year remain focussed on supporting the Council and its partners to deliver the maximum efficiency and productivity through the best use of IT. Key priorities will include:

- Procurement of the products required to fulfil the requirements of the Digital Strategy
- Implementation of products to build the digital platform
- Continued delivery of the Children's Services transformation programme.
- Complete the implementation of the IT Change programme, including recruitment, changes to processes and review of the IT Financial models.
- Continued focus on delivery for further savings to achieve Transformation 2017 - £2.5M PA savings, through renegotiation of existing contracts.
- Renewal of the Core Data Centre network and improvements to the Disaster Recovery capability at the Dorset CC recovery site.

8. Digital Programme Update

8.1. A paper was submitted and endorsed by Cabinet in September 2015, outlining the digital progress, plans across a series of phases and setting out recommendations regarding next steps:

8.2. Gaining traction with Digital

- This summarised progress already made including self-service capability deployed as part of the IBC programme, completion of the digital strategy, digital architecture design, progressing the 'culture change' journey with getting better understanding across the Council on what digital means for our business and the IT review and change programme so IT can operate in line with our digital ambitions.

8.3. Digital in support of Transformation to 2017;

- The IT change programme is continuing as planned including key governance changes such as a converged IT and Digital Technical Design Authority to oversee the future design decisions, and a simplified, joint IT & digital prioritisation and demand management process, taking into account the skills required for the priority digital projects..
- The digital scope to support the organisation through Tt2017 identified 3 key projects: Hantsdirect2 (new customer platform), Hantsweb 2(new web platform) and Analytics Service Centre (reporting and future BI/predictive analytics capability). These 3 projects will contribute directly or enable savings targets across the Council through delivering multi-channel citizen interaction, improved self-service, increasing

productivity by integrating systems, making them user-friendly and intuitive.

- Currently we are procuring the software and services to enable us to commence with project delivery in early 2016 and in parallel, over the next few months the Digital project board will firm up the exact scope, delivery team and plans for the implementation phase

8.4. Phase 4: Digital across Local Government:

- The Council will also ensure that the £3.1m DCLG investment received is leveraged. There are several opportunities to do so, including the development of a showcase for the public sector; by developing re-usable digital products; and by sharing experience and methods with the public sector community.

8.5. Phase 5: Digital beyond 2017.

- The focus for digital is on support the Council through to 2017, but through the projects delivered over the next 15 months or so, the core digital architecture will be positioned to take advantage of further transformation opportunities that will further realise the potential of our digital platform. Plans and funding streams for this work will need to be developed as part of the next Transformation Programme responding to the continuation of the Governments austerity measures.

9. Recommendations

That this report is noted

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

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

Section 100 D - Local Government Act 1972 - background documents

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

Equalities Impact Assessment:

1.2. Impact assessments are undertaken in advance of any formal executive decision. Information about those impact assessments will be set out in the appendices to the relevant decision making reports. This report is an update to the Select Committee and is not proposing any change or decision, therefore impact assessments have not been undertaken.

2. Impact on Crime and Disorder:

2.1. Impact assessments are undertaken in advance of any formal executive decision. Information about those impact assessments will be set out in the appendices to the relevant decision making reports. This report is an update to the Select Committee and is not proposing any change or decision, therefore impact assessments have not been undertaken.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

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