HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Policy and Resources Select Committee
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Title:	Annual IT Update
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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 July 2009, and there was a special IT Disaster Recovery review report in October 2009.

2 Context for IT:

2.1 To be effective in any complex and modern business, such as the County Council, IT must satisfy three aims:

- **Excellent IT service delivery** – efficient and high performing:
  - IT solutions aligned to County Council priorities
  - systems that work well with efficient and helpful support.
- **Effective and targeted IT projects** – delivering high value:
  - taking opportunities to use IT to help the County Council to improve
  - stopping anything which is over ambitious or under performing.
- **Agent of change** – helping the County Council to use technology to transform, modernise and to adopt more efficient ways of working.

2.2 IT must continue to help the County Council adapt and respond to financial pressures. This includes using technology to streamline internal practices as well as delivering more services electronically to the public.

2.3 Using IT to enable partnership working and shared services is a growing priority and supports a number of departmental service plans, as well as generating new revenue.

2.4 IT activity is closely aligned to departmental and corporate plans. It supports every department and most of the areas in the Corporate Improvement Plan.

3 Summary and Highlights 2009/10:

- The **Corporate Services Review (CSR) of IT** concluded. This has resulted in over £1m p.a. savings and significant reduction in head count (7% overall and 30% of senior management). IT is now part of the PBR&IT department.
- The County Council's **Data Centre was successfully relocated** into the new EII building. This complex programme was delivered to time, budget and with no service interruptions.
- IT has supported **the move of over 1000 staff** into the newly refurbished EII Court with a range of new flexible technologies successfully deployed, with on-line Learn.IT resources, creating new efficiencies.
- A partnership contract for the **Hampshire Public Services Network (HPSN2)** has been let to Virgin Media Business (value up to £200m) with most public services in Hampshire, setting a national lead for the national Government IT strategy and saving the County Council over £1m p.a.
- **A partnership agreement for shared IT services** has been signed with boroughs, districts and unitary councils in Hampshire and Hampshire Fire and Rescue Service.
- **National and international awards** for IT have been won, recently including for 'Green IT', the 'European Data Centre' award and ICT literacy work with staff, the public and silver surfers.

4. Corporate Services Review (CSR) of IT

4.1 The IT CSR review was implemented this year, overseen by a cross-departmental group led by the Head of IT. It has resulted in:

- Over £1.5m pa savings - 7% reduction in head count.
- 30% reduction (30 posts) in senior management.

4.2 In addition to creating a single IT service the CSR, targets included:

- Improving programme and project delivery
- Improving IT procurement

- Improving IT infrastructure and develop alternative IT delivery models
- Developing self service functions to improve access to services
- Improving how information is used, accessed and shared
- Improving IT skills and awareness
- Minimising the overheads of internal trading and administration.

4.3 In each area improvements have been made and on-going plans exist.

4.4 The implementation was concluded in six months and lessons learned have been documented and shared with all departments to assist others preparing for similar radical change.

5. IT Strategy

5.1 The County Councils' IT strategy has been updated reflecting current and changing needs, replacing the '*Transforming Through Technology*' strategy. Its focus is on efficiency, service improvement and partnership working. It seeks to:

- Build on existing technologies and investments
- Support Council change and efficiency initiatives programmes
- Develop an IT infrastructure which can enable shared services.
- Consider new delivery models e.g. 'cloud computing' and outsourcing
- Accelerate self-service delivery internally and externally with standard tools
- Support a more flexible and mobile workforce.

5.2 A simple pictorial representation is attached at **Appendix 1.**

6. Partnership Working and Shared Services

6.1 Hampshire IT already supports many organisations such as the HPSN2 partners, application hosting for district and unitary councils, over 98% of all schools in Hampshire supported and over 1000 community websites.

6.2 The purpose of such arrangements is to provide a foundation for partnership working for the County Council as well as to draw in new income.

6.3 Examples of developments during the year include:

- The Hampshire Public Service Network (HPSN2) - a partnership agreement with all boroughs, districts, unitary councils and Hampshire Fire and Rescue Service
- Hampshire and Dorset County Council's IT departments are working together on joint plans to integrate IT strategy and delivery

- Hampshire IT recently won the South Downs National Park tender for the provision of IT services
- A complete schools' service using modern technology was recently secured for Westgate School, providing a model for other education establishments
- A joint working agreement with Surrey County Council is in discussion for the procurement of a property asset management system
- A hosted ICT service has been agreed for Havant Borough Council, and hopefully will extend now to East Hampshire Council, in support of the new Havant Public Service Village.

6.4 In addition, a Memorandum of Understanding has been signed by all Hampshire and Isle of Wight local authorities and Hampshire Fire and Rescue Service to form the basis of any future shared IT service initiatives.

6.5 During the coming year further opportunities are being explored, including discussions now underway with other County Councils through the 'South East 7' network.

7. Performance

7.1. Hampshire IT cost and satisfaction levels are benchmarked regularly with a range of public and private sector organisations, using the Society of IT Managers (Socitm) and the Corporate IT Forum. These results were scrutinised as part of the CSR and have confirmed a very low IT cost base for the County Council.

7.2. One area of improvement sought was in project performance – ie. projects delivered more quickly, demonstrating high value with fewer unplanned delays. A position of Head of Programmes and Projects has been created, supported by a Programme Office and early improvements have been demonstrated, reflected in higher satisfaction ratings.

7.3. All major systems have been assessed for usability and performance and reported to CMT. Improvements include manager and employee 'self service' in SAP, new 'Quickview' SWIFT screens and web improvements to Hantsweb – still the most visited UK local authority website and an upgrade to Impulse admissions to enable parents to apply for school place online.

7.4. There have been only two major Hantsnet service interruptions during the year, both due to power failures lasting more than 1 hour. Other service interruptions included several short breaks to internet connection which will be remedied when the new HPSN2 service is in place during 2010/11. The movement of the Data centre was a notable success, with no IT issues reported, and has significantly improved IT resilience.

7.5. National and international awards during the year have included 'green IT', digital literacy campaigns and the shared public sector recruitment portal. The County Council has also retained its international accreditations for security management and for IT service management.

8. IT Finances

8.1 As a result of the CSR bringing together IT functions, the total IT expenditure for the County Council is now known - £46.7m for 2010/11. This is funded by a contribution from the Policy and Resources budget of £15m with the balance made up of service fees and charges of £32m, of which £28m will come from HCC departments and £4m from external organisations. Income from schools IT for support and services is in excess of £5m with an additional £4m for the Schools Wide Area Network.

8.2 IT priorities are driven by efficiency targets. Examples include:

- The HPSN2 contract will save over **£1m p.a**. from 2011/12
- Renegotiation of some IT contracts will save **£320k p.a**. from 2012/13
- Fax to e-mail – a new service will save departments **£25k p.a**.
- Savings in IT salary costs totalling over **£700k p.a.**
- A shared disaster recovery service between Hampshire and Dorset will reduce costs by up to **£50k p.a.** from 2011/12
- Server Virtualisation – reducing the number of servers will continue further saving **£115k p.a.**
- Flexible printing service - part of Hampshire Workstyle, will improve security and reduce paper wastage, also saving over **£4m p.a.**

8.3 These efficiencies are in addition to the CSR IT savings in headcount and management of over **£1m p.a**. They also do not include savings which accrue to departments from using IT, such as self service delivery (e.g. a face to face transaction typically costs £8-12, a web transaction 5-12p).[1]

8.4 There are some risks, given the financial uncertainties ahead. e.g.

- The HPSN2 savings are dependent on Hampshire Schools. If a significant number do not sign up, the savings will be reduced
- The reduction of departmental budgets will have an impact on IT volumes which could reverse economies of scale.

8.5 These risks can be mitigated by continuing to reduce IT unit costs and by securing new income or lower cost delivery, working with external partners.

9. Priorities Looking Ahead

9.1 Priorities for IT over the next year will be driven largely by the need to create new efficiencies, especially in how IT can be used:

- Reducing internal County Council running costs through automation and process simplification – e.g. internal self service
- Increasing web self service to reduce costs of service delivery – e.g. external self service.

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[1] Source - Socitm

- Reducing the cost of IT itself through simplification, lower cost technologies and joint working.

9.2 The IT contribution to general Council efficiency is shown in particular in the support for programmes such as Workstyle, Hantsdirect and HantsFile.

9.3 Other priorities for IT reflect the wider impact of technology, e.g.

- Enabling further partnership working (e.g. Havant Public Service Village)
- Supporting the Rural Broadband initiative to improve social and economic well-being
- Completing the roll out of HPSN2 for schools and to County Council departments
- Delivering a hosted schools solution which will reduce costs of IT to schools
- Improving performance of key systems such as SWIFT and Integrated Children's Systems (ICS) to support front line delivery.

9.4 An IT event for Members is planned for 2 November 2010. This will include demonstrations of the way IT is modernising services and IT support for Members.

10. Conclusions

10.1 IT has had a challenging and turbulent year. The service has transformed itself to improve performance and reduce cost, whilst meeting growth in demand. Major programmes which rely on IT across the County Council such as EII Court, a new Data Centre, Hantsdirect and Workstyle have been successfully delivered.

10.2 Looking ahead, the main priority is to support the County Council's efficiency programme. This includes achieving further efficiencies in IT itself and supporting departments in making better use of technology. Streamlining internal practices and external delivery, and helping the Council to change and work with others.

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.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. IT has a key part to play in equalities and diversity and this report describes, for example, ICT literacy work with staff, the public and silver surfers which has won awards.

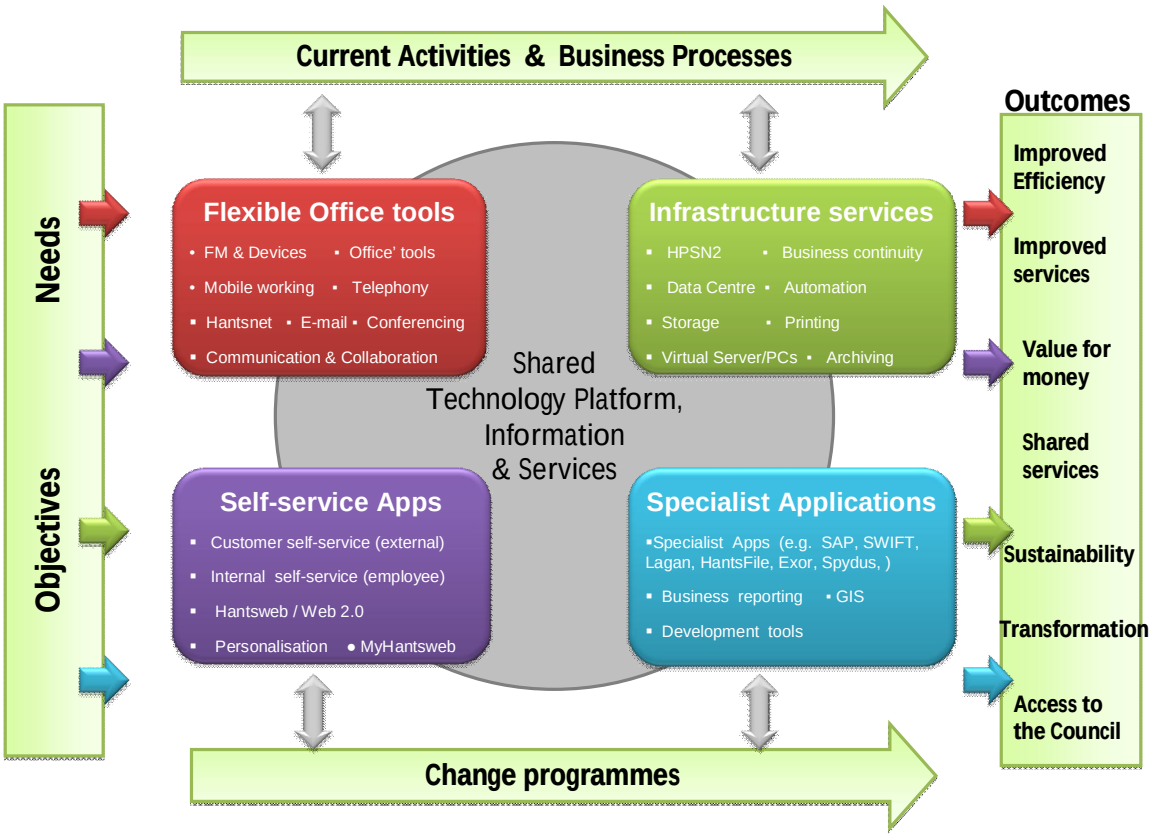
2. Impact on Crime and Disorder:

2.1. n/a

3. Climate Change:

3.1. Hampshire IT has won a national award for its ‘green’ data centre, and other recent awards for the use of ICT to reduce carbon footprint and energy consumption.

3.2. Priorities ahead will continue to build on Hampshire IT’s low carbon base (thin client technologies, shared printing, mobile and flexible working).

Appendix 1

Hampshire IT Strategy 2010-2013 Summary