

Report of the Assistant Director of Resources - Transformation and Efficiency

IT Development Plan 2009/10

Summary

1. The annual Corporate Information Technology Development Plan (ITDP) sets out areas for investment in IT that have been identified and put forward by Directors. Members are asked to review these proposals and decide which ones they wish to fund.

Background

2. All of the bids have been through a rigorous, 3 stage, appraisal process that has been undertaken at departmental, directorate and corporate levels. This approach assesses the bids against both corporate and directorate strategies and reviews both the benefits and risks of the proposals using a matrix developed with collaboration from colleagues in Audit and Risk Management. This provides a comparative assessment of the bids. The Corporate IT Strategy Group (CITSG) has evaluated the bids and they are presented in priority order in Annex A with 3 options for investment, for Members consideration.
3. During the appraisal process undertaken by CITSG, 14 bids totalling £223,000 were rejected because they would not deliver priority improvements for the Council. For 5 of the bids being put forward for your approval the guide capital was reduced by a total of £147,000.
4. A summary of each bid providing a breakdown of costs has been identified in Annex B. A Summary of the main benefits and efficiencies which will be delivered by each bid is set out in Annex C.
5. A summary of the bids rejected by CITSG can be found in Annex D.

IT Strategy

6. A new IT Strategy 2008-2012 came to CMT last week and will accompany the IT Development Plan report to Exec on 3rd December. Members have already agreed the 5 Strategic Objectives around which the new strategy is based and these have been used to prioritise this Plan.
7. The new IT Strategy has five themes. They are the main drivers for further IT development.

1. Use technology to improve the efficiency and effectiveness of Council Services and the internal working of the Council.
 2. Use technology to make services easy to access, high quality and efficient, effectively managed, and responsive to the particular needs of individuals and/or Customer groups.
 3. Develop our IT Infrastructure to support the move to a new headquarters.
 4. Use technology to make CYC a more sustainable organisation.
 5. Use technology to forge stronger working relationships with our partners, to enable the sharing of information and improve joint service planning commissioning and delivery.
8. The strategy also sets out the core platform for our IT infrastructure which must be resilient, flexible and dependable.
9. The delivery of the IT strategy requires annual investment through the IT Development plan. The strategy will strongly influence future IT development but there will remain a need to allocate resource to the replacement and support of IT systems that underpin service delivery.
10. The bids received for consideration fall under the themes of the draft corporate IT Strategy.

Theme 1	Use technology to improve the efficiency and effectiveness of Council Services and the internal working of the Council.
09CEX01	Legal Case Management System
09COR02	Corporate EDMS Extension
09COR03	Model Office
09COR04	Citrix Upgrade
09COR05	Desktop Replacement Programme
09CSTR01	Mobile working in Building Control
09CSTR02	York Transport Multi Modal Model
09CSTR03	York Natural Environment Record
09NS01	Automated Housing Repairs Appointments
09LCCS01	Replacement of Primary School MIS
09NS02	Mobile Data Capture for Regulatory Services

09NS03	Taxi Licensing Software
09RES01	Payments Kiosk
09LCCS04	RFID at Acomb Library Learning Centre
09NS01	Automated Housing Repairs Appointments
09NS02.	Mobile Data Capture for Regulatory Services
Theme 2	Use technology to make services easy to access, high quality and efficient, effectively managed, and responsive to the particular needs of individuals and/or Customer groups.
09HASS01	Choice Based Lettings
09CEX02	Connecting Electoral Registration to the LLPG
09LCCS01	Replacement of Primary School MIS
09LCCS03	Maintenance Of The Family Information Service System
09NS01	Automated Housing Repairs Appointments
09RES01	Payments Kiosk
Theme 3	Develop our IT Infrastructure to support the move to a new headquarters.
09CEX01	Legal Case Management System
09COR01	Encryption Software
09COR02	Corporate EDMS Extension
09COR03	Model Office
09COR04	Citrix Upgrade
09COR05	Desktop Replacement Programme
09CSTR01	Mobile working in Building Control
09CSTR03	York Natural Environment Record
09NS02.	Mobile Data Capture for Regulatory Services
09NS03	Taxi Licensing Software
09RES01	Payments Kiosk
Theme 4	Use technology to make CYC a more sustainable organisation.
09CEX01	Legal Case Management System

09COR02	Corporate EDMS Extension
09COR03	Model Office
09COR04	Citrix Upgrade
09COR05	Desktop Replacement Programme
09CSTR01	Mobile working in Building Control
09NS02	Mobile Data Capture for Regulatory Services
09NS03	Taxi Licensing Software
	Stable and secure ITT infrastructure
09COR01	Encryption Software
09COR02	Corporate EDMS Extension
09COR04	Citrix Upgrade
09COR05	Desktop Replacement Programme
09COR06	Update of Charting and Project Planning Tools
09HASS04	iWorld Server Upgrade

Financial Implications

11. It is now Council practice to finance IT Development Plan expenditure by borrowing over a five or seven year period depending upon the likely life expectancy of the purchase. Budget sums allocated to the plan are revenue and not capital as is often assumed.

The columns in **Annex A** show: -

- **Guide Capital** – This is the gross expenditure for each bid, what the project would cost if it were funded from capital. This is not the budget allocated to the project.
- **Lifetime Cost** - What the project will finally cost over the repayment period, including loan repayments and maintenance costs.
- **Annual Ongoing Cost** – the revenue sum paid each year in loan payments and maintenance. This is the full annual budget that will be allocated to the project and included in recharges in future years.
- **First Year Costs** – a proportion of the Annual revenue costs that will be incurred in the first year. This has been calculated based on an estimate of when during 2009/10 the costs will be incurred and therefore when we will start to incur both support costs and loan repayments. This is often difficult to accurately predict.

- **Efficiencies** – the expected financial efficiencies which each project could deliver.

Budget provision in 2009/10

12. Not all IT Development Plan costs fall on the General Fund. Where applicable expenditure has been allocated to the General Fund and the Housing Revenue Account (HRA), which is ring-fenced. Where a corporate project affects all funds, costs have generally been split on the basis of the number of PCs in each area. This has been applied to all the corporate projects in this round of bids.

General Fund - Within the 2009/10 projected revenue budgets, provision has been made in the Medium Term Financial Forecast for up to £500,000 to fund the IT Development Plan. The full-year effects of the 2008/9 IT Development Plan have already been committed. The table below shows the overall position.

Housing Revenue Account (HRA) - Housing Revenue Account has allocated funds to meet their share of corporate projects.

2009/10	General Fund	HRA	Total
Allocation for 2009/10	£500,000	£31,201	£531,201
Committed 2008/9 full year	£183,401	£0	£183,401
Available Funding for 09/10 Part Year	£316,599	£31,201	£347,800

13. As the Council continues to face significant budget pressures this year, the CITSG has applied strict prioritisation so that only essential bids are recommended for funding.

Consultation

14. The Corporate IT Strategy Group have thoroughly evaluated all bids and have already rejected 14 bids because they did not align with the corporate or IT strategy or did not deliver significant business benefits. These are listed at Annex D.

15. Three bids are for a business assessment, which request time only and no investment. They are listed separately. It is recommended that these are agreed. A further bid will be funded by the business (Taxi Licensing system will be funded from the Taxi Trading account.)

Options

16. An extensive and rigorous evaluation process has been undertaken. Each bid has been assessed first by Departmental Management Teams, then short listed by the Corporate IT Strategy Group. The bids were then refined and evaluated once more by the CITSG who then subsequently identified the following 3 options for Members, each with a differing level of investment. A summary of the efficiencies, performance and service improvements for each option are set out in Annex C.

Option 1 - To fund all bids evaluated by the CITSG, set out in Annex A . This could deliver efficiencies of £703k pa. This would mean spending £3k less than has been allocated from the General Fund for 2009/10, with a total commitment of:

Option 1	General Fund	HRA	Total
Available funding for 2009/10	316,599	26,445	343,044
Recommended Bids Part year 2009/10	313,223	26,445	339,668
Unspent Balance	3,376	0	3,376
Commitment for 2010/11	132,215	4,757	136,972

Option 2 — To fund only bids with a Risk and Opportunity score of over 50, set out in Annex A. This could deliver efficiencies of £687k pa This would mean spending £41k less than allocated for 2009/10, with a total commitment of:

Option 2	General Fund	HRA	Total
Available funding for 2009/10	316,599	26066	342,665
Recommended Bids Part year 2009/10	275,039	26,066	301,105
Unspent Balance	41,560	0	41,560
Commitment for 2010/11	116,190	4,757	120,947

Option 3 - To fund only bids with a Risk and Opportunity score of over 80 set out in Annex A. This could deliver efficiencies of £651k pa. This would mean spending £58k less than allocated for 2009/10, with a total commitment of :

Option 3	General Fund	HRA	Total
Available funding for 2009/10	316,599	25915	342,514
Recommended Bids Part year 2009/10	257,931	25,915	283,846
Unspent Balance	58,668	0	58,668
Commitment for 2010/11	113,534	4,733	118,267

In Year Management of the IT Development Plan

17. Although Directorates have identified that they have the available resources to deliver this plan, it is inevitable that situations change and new priorities emerge that may mean require changes to this plan. The Corporate IT Strategy Group will be managing the overall delivery of this plan in year and will need to make decisions to reprioritise resources accordingly. If any projects are delivered ahead of schedule or under budget or if any projects need to be cancelled then depending upon the Option selected above, additional projects may be

undertaken. Members will be informed of any significant variances through the appropriate channels.

Spending Pressures in Future Years

18. The financial commitments recommended in this report are less than has been set aside to fund the IT Development Plan in 2008/9. However, in the next 2 years we will need to upgrade or replace some key elements of our infrastructure and this will create a pressure for investment in IT. To help future planning, the report contains an informative bid that highlights a demand on financial and staff resources for 2010/11.
19. By 2010 we will have been using the 2000 version of MS Office for 10 years. This is a long time to remain on any version of software; during the 10 years Microsoft have released three new versions. Over the coming year, Microsoft and suppliers with applications which link to it, will withdraw support for the 2000 version. Unless we move to a later version we will experience an escalating series of difficulties with integrating systems and with sharing documents.
20. Upgrading the Office suite will be costly. Estimates suggest that the first year costs will be upwards of £100k with a full year commitment of £106k. The project will also involve a significant resource commitment, as every IT user will be affected. Use of Open Source alternatives has increased a great deal in the last few years. Before we commit to moving to another version of the Microsoft office suite we will assess the viability of replacing it with an open source alternative. Though an open source suite will cost less, the resource demand of moving to it and the cost of training staff will be greater. The potential of phasing this bid will form part of the appraisal process.

Release of funds from IT Development Plan for 2008/9

21. Last year Members deferred a decision on 6 IT Development Plan bids until Summer 2008. At the July 29th Executive meeting they then subsequently agreed "That £18.8k be released from the 2008/09 contingency to fund the four schemes proposed to commence through the IT Development Plan and that the ongoing costs of £47.9k per annum be funded through the IT Development Plan from 2009/10 onwards, subject to a business case for the QPR/PMS system and home care monitoring system coming back to the Executive to detail the cost savings which will be generated from the investment."
22. A business case has been completed for the **Electronic Homecare Monitoring system** and is attached as Annex E. This identifies annual savings of £70k pa. This will require release of funds of £26,596 pa from 2009/10. These ongoing costs have been included in the ongoing commitments identified in the financial implications section of this report. Members are asked to release these funds so that work can begin on the project.
23. With regard to the **Performance Management System** CMT have already reviewed the requirements for a Performance Management system (PMS) at a meeting on 16th July 2008 and agreed:

- “A system with the capability to interrogate key systems and produce management reports would most appropriately meet the Council’s needs in the longer term and should be pursued;
 - Preparations should be undertaken for a procurement process to identify the best performance management system for the Council“
24. CMT have agreed a need to replace the existing PMS system with a system that has a far greater capacity to analyse and present data. This will clearly lead to better understanding and use of performance information to design and improve services but the savings that can accrue from doing this cannot be identified at this stage.
25. Improvements to our Performance Management regime are crucial to the delivery of the Single Improvement Plan. This will in turn impact upon future inspection scores - Direction of Travel (DoT) for the current CPA and the future Use of Resources score for the CAA. A responsive and accessible PMS will provide timely information that will enable us to respond to developing trends much faster.
26. Understanding current performance will also be an essential tool to drive out future efficiencies as part of the forthcoming efficiency programme. Sharing performance across the LSP to achieve LAA targets will also require a new PMS.
27. CMT request that Executive release the funds so that a replacement system can be procured. This will require release of funds of £12,820 pa in 2008/9 with a full year cost of £18,320pa. The annual ongoing costs for future years have been included in the ongoing commitments identified in the financial implications section of this report. Members are asked to release these funds so that work can begin on the project.

Implications

- 28.
- **Financial** identified in report. Consulted with Debbie Mitchell, Nigel Oates and Susan Goodhall.
 - **Human Resources (HR), Equalities, Legal, Crime and Disorder Property - None**
 - **Information Technology (IT)** IT implications are set out in the report.
 - **Risk Management** All bids have been assessed on their risk rating and are presented in priority order to Members for decision

Recommendations

29. That Executive agree one of the options set out in para 16 to identify which IT development plan projects they wish to fund.
30. That Executive agree to release funds set aside to implement a replacement Home Care Monitoring System as set out in para 22 and Annex D.

31. That Executive agree to release funds set aside to implement a replacement PMS as set out in paras 23.-4.

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

- Annex A - List of bids in priority order with associated financial impacts.
- Annex B - Summary of bids in alphabetical order.
- Annex C – Summary of Benefits and Efficiencies
- Annex D - Summary of initial bids that were not put forward following an early assessment by the CITSG.
- Annex E – Business case for release of funds for Electronic Home Care Monitoring System