

Report of the Acting Director of Resources

Corporate Information Technology Development Plan 2008/09

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 3 stage, rigorous 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 risk 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 for Members consideration.
3. A summary of each bid providing a breakdown of costs has been identified in Annex B.
4. At the first review session undertake by CITSG, 17 bids totalling £1,118,780 were rejected because they would not deliver priority improvements for the Council and one of the bids being put forward for your approval had its guide capital bid reduced by £100,000. A summary of the bids rejected by CITSG can be found in Annex C.

IT Strategy

5. The current IT Strategy covers the period 2002-2007. This is currently being revised and Members have agreed 5 Strategic Objectives which are in the process of being worked up into a full IT Strategy for 2007-2012 for presentation to Members in the New Year.
6. The themes of the draft IT Strategy are -
 1. Use technology to make the Council a sustainable organisation.

2. Develop our IT infrastructure to deliver unified communications that will enable staff to work effectively wherever they are.
 3. Use technology to deliver effective and efficient services that meet customer needs.
 4. Use technology to forge stronger working relationships with our partners, to enable the sharing of information and improve joint service planning commissioning and delivery.
 5. Use technology to empower communities, reach socially excluded groups, encourage economic development in the city and develop the IT skills of the residents of York.
7. The development of a programme of work to deliver the corporate strategy will lead to detailed project plans, some of which will include IT development projects and some of which will need IT input. The agreement of these projects in terms of the allocation of funding and resource still needs to be managed through the IT Development Plan mechanism. 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.
8. The new IT strategy will strike a balance between delivering the corporate strategy whilst providing adequate investment and ongoing support to the base operation of the Council.

Themes of this IT Development Plan

9. Broadly speaking, the bids received for consideration cover the following themes. These themes are all consistent with elements of the new Council Corporate strategy and themes of the draft corporate ITT Strategy and are mapped against them.

Theme	Efficiency	
IT Bids	08LCCS01	Linking the ICS and the Pupil Database
	08LCCS02	Children's Centres Database
	08LCCS03	Extension of Integrated pupil database
	08LCCS04	ILR Data for Adult & Community Education
	08LCCS05	RAISE on going development
	08LCCS07	New Finance System for Schools and the LA
	08LCCS08	Primary School Management Information System
	08CEX01	Review of QPR
	08CSTR02	EXOR Business Appraisal
	08HASS02	Adult Social Services Mobile Working
	08COR07	Corporate use of LLPG
	08COR04	GIS Strategy and Implementation
	08LCCS06	Integrated Transport Database
	08RES01	FMS Interfaces, Integration and BPR
08RES02	HR/Payroll Business Appraisal/Replacement	
08COR10	Magique Licensing	
08COR11	Governance system	
Direction	Our ambition is to be clear about what we will do to meet the needs	

Statement	of our communities, and then to deliver the best quality services that we can afford	
Value	Encouraging improvement in everything we do	
Improvement Priority	Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city	
Imperative	FMS Replacement	
IT Strategy	Use technology to deliver effective and efficient services that meet customer needs.	
Theme	Customer Service Improvements	
IT Bids	08HASS01 08CSTR03 08CSTR01 08COR03	Electronic Monitoring for Home care Car Parks Management Information System Register of Building Control Information Government Connect
Direction Statement	Our ambition is to be clear about what we will do to meet the needs of our communities, and then to deliver the best quality services that	
Value	Delivering what our customers want	
IT Strategy	Use technology to deliver effective and efficient services that meet customer needs.	
Theme	Stable and secure ITT Infrastructure	
IT Bids	08COR02 08COR08 08COR06 08COR09 08COR01	Expansion of Corporate Data Storage Upgrade of Proxy Servers Citrix Upgrade (Informational only) Upgrade to MS Exchange 2007 (Information only) Desktop Equipment Review
Direction Statement	Reduce the environmental impact of council activities and encourage, empower and promote others to do the same	
Imperative	Administrative Accommodation Review	
IT Strategy	Use technology to deliver effective and efficient services that meet customer needs Use technology to make CYC a sustainable organisation	

Financial Implications

10. It is now Council practice to finance IT Development Plan expenditure by borrowing over a five- year period. 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.
- **Total Cost over 5 years** – What the project will finally cost over the five-year 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 actual 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, based on an estimate of when the project will be implemented within the year. This is often difficult to predict. The column P/Y indicates the proportion of the year expected to be covered by the part year effect.

Budget provision in 2008/9

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

General Fund - Within the 2008/09 projected revenue budgets, provision has been made for up to £500,000 to fund the IT Development Plan. The full-year effects of the 2007/8 IT Development Plan and a top slice to fund easy@york have already been committed. The table below shows the overall position.

Neighbourhood Services – Commercial Services are allocating funds to meet their share of corporate projects.

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

2008/9	General Fund	HRA	Neigh. Services	Total
Allocation for 2008/9	£500,000	£3,529	£3,529	£507,058
Committed 2007/8 Full year	£92,481	0	0	£92,481
Top Sliced for Easy@york phase 1	£50,000	0	0	£50,000
Available Funding for 08/09 Part Year	£357,519	£3,529	£3,529	£364,577

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

Consultation

The bids have been put forward by Directorates and have subsequently been reviewed by CITSG.

Options

13. Members have three options to consider and these are:

Option 1 - To fund all bids recommended by the CITSG, in Annex A all bids above the dotted line. This would mean spending £44,908 less than has been allocated from the General Fund for 2008/9, with a total commitment of:

Option 1	General Fund	HRA	Neigh. Services	Total
Available funding for 2008/9	£357,519	£3529	£3529	£364,577
Recommended Bids Part year 2008/9	£312,611	£3,529	£3,529	£319,669
Unspent Balance	£44,908	0	0	£44,908
Commitment for 2009/10	£180,184	0	0	£180,184

Option 2 – To fund more bids than recommended by the CITSG, selecting additional proposals from below the dotted line. All of the bids could be funded from the General Fund allocation, however more funding would be required from HRA and Neighbourhood Services. This would mean spending £38,354 less than has been allocated from the General Fund for 2008/9, with a total commitment of:

Option 2	General Fund	HRA	Neigh. Services	Total
Available funding for 2008/9	£357,519	£3,814	£3,814	£365,147
Recommended Bids Part year 2008/9	£319,165	£3,814	£3,814	£326,793
Unspent Balance	£38,354	0	0	£38,354
Commitment for 2009/10	£180,204	0	0	£180,204

The additional bids that would be funded are:

- **08COR11 Governance Standards** - A proposed pilot scheme that would include the procurement of a new system that if proved successful, could be expanded to support the governance and compliance needs of the Council. The system would enable us to disseminate Health & Safety legislative changes and guidance to all appropriate staff. This would both reduce the risk of H&S incidents and ensure that the Council can provide robust audit trails of good management practice, clear guidance and preventative measures which would protect the Council in any investigations in future.

This would directly help to prevent H&S incidents and prevent reputation damage and reduce the financial cost of defending claims. The Officer Governance Group see this pilot as key to managing future Health and Safety risks.

- **08CSTR04 Uniform Planning and Building Control** - A time only bid to review the existing use of the Planning and Building Control System. This is not recommended as significant investment has recently been made in this system and it is unlikely that there will be a robust business case to replace the system.

Option 3 - To fund fewer bids than recommended by the CITSG, selecting which bids above the dotted line they do not wish to fund. This would mean spending £76,041 less than has been allocated for 2008/9, with a total commitment of:

Option 3	General Fund	HRA	Neigh. Services	Total
Available funding for 2008/9	£357,519	£3,407	£3,407	£364,333
Recommended Bids Part year 2008/9	£281,478	£3,407	£3,407	£288,292
Unspent Balance	£76,041	0	0	£76,041
Commitment for 2009/10	£163,582	0	0	£163,582

The bids that would not be funded if this option were taken are:

- **08CEX01 Review of QPR** - A system upgrade review of the existing Corporate Performance management system following a review to confirm that it meets the organisational requirements
- **08CEX01 Corporate use of LLPG** - A time only bid to establish the Council's Local Land and Property Gazetteer (LLPG) as the Corporate Property Dataset and produce a standard approach for its integration into existing and future systems to provide an accurate and consistent view of property data for both external and internal use.
- **08HASS01 Electronic Monitoring for Home care** - The procurement of a Home Care Monitoring System to support the increasing demands for the Council to provide a high-quality home care service.
- **08CSTR03 Car Parks Management Information System** - A time only bid to review the Council's Car Parking Management information system requirements that will include a review of the alternative methods to pay for parking and increase customer satisfaction.
- **08COR10 Magique Licensing** - A bid to purchase 75 additional user licences for the Corporate Risk Management system to be distributed throughout the organisation to those with risk management responsibility to support their day-to-day operations and service planning activities.

Spending Pressures in Future Years

14. 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 two years we will see a significant increase in the pressures to spend on IT. To help future planning, the report contains two informative bids that highlight the likely demand on financial and staff resources for 2009/10 and 2010/11.
15. By 2010 it will be 10 years since we upgraded the Council's Citrix and Desktop and Email systems. The implementation of Citrix in 2000, to deploy these systems from a central server farm has meant that we have not had to incur the massive expense or disruption of upgrading hardware, operating systems and Microsoft Office versions every few years. However by 2010 it is likely that we will be experiencing difficulties with unsupported software and sharing documents created in more recent version of MS Office.
16. These are significant bids and are very costly. The potential of phasing these bids will form part of the appraisal and impact assessment process prior to them being finalised for the 2009/10 ITT Development Plan. A fourth major infrastructure project for 2009/10 is the provision of a new and flexible network for Hungate but it is projected that this will be funded from a future procurement exercise making optimum use out of existing revenue streams to fund the technology refresh.
17. If we continue investing in IT at the current level (£500,000 pa), then in 2009/10 it is likely that there will be very little available investment. It is unlikely that the strategic and service pressures that drive some investment decisions will not be experienced next year and therefore Members will need to consider temporarily increasing the level of IT investment next year to ensure that we can continue to use IT to deliver the corporate strategy and respond to essential organisational pressures. It is recommended that provision be made in the Medium Term Financial Strategy for increased spend on the IT Development Plan in 2009/10 to accommodate this exceptional spend.

Future Bid – Description	Guide Capital	2009/10 Ongoing
Pre commitment from 2008/9	0	£180,184
Citrix/desktop Operating System/Microsoft Office Upgrade	£970,785	£242,946
Email System Upgrade	£174,028	£63,903
Total	£1,144,813	£487,033

Implications

18.
 - **Financial** identified in report. Consulted with Sarah kirby, Debbie Mitchell, Nigel Oates and Peter Steed.

- **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

19. That Members select Option 2 outlined in Para 13.

Reason for Recommendation - in order to allocate 2008/9 IT Development Plan funding to priority projects to support the delivery of our corporate priorities

20. That provision is made in the Medium Term Financial Strategy for increased spend on the IT Development Plan in 2009/10. A suggested level would be £750k rather than £500k normally set aside. This would allow for a consistent level of investment as well as funding the projected exceptional spend.

Reason for Recommendation - in order to ensure that sufficient resources are identified for future years IT Development within the Council forward plan.

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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 with guidance notes.

Annex C - Summary of initial bids that were not put forward following an early assessment by the CITSG.