

Information Technology & Telecoms (ITT) Development Plan 2007/08

Summary

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

Background

2. All of the proposals have been through an investment appraisal process, which assesses the bids against corporate and directorate strategy and assesses risk using a risk assessment matrix developed with collaboration from colleagues in Audit and Risk Management. This provides a comparative assessment of the proposals. The Corporate IT Strategy Group evaluated the proposals and they are presented in priority order in Annex A for Members consideration.
3. A summary of each proposal providing a breakdown of costs has been identified in Annex B.

IT Strategy

4. The current IT Strategy covers the period 2002-2007. This is being reviewed in a report to Members on this agenda. This report also looks at key themes that need to be developed for the forthcoming IT Strategy 2007-2012 which is due in the Spring.
5. The period covered by this IT Development Plan obviously spans the two IT strategies but will be decided before the new IT strategy is completed. Though it is possible to continue allocating resources to deliver the existing strategy it would be helpful to identify the key themes of the new Strategy so that resources continue to be allocated to our priorities.
6. The future IT Strategy needs to support delivery of the :-
 - Corporate Strategy – made-up of the Council 13 corporate priorities

- Organisational Effectiveness Programme – which will be key to delivering the 4 “enabling” priorities with the Corporate Strategy which are:
 - Improve leadership at all levels to provide clear, consistent direction to the organisation
 - Improve the way the Council and its partners work together to deliver better services for the people who live in York
 - Improve efficiency and reduce waste to free-up more resources
 - Improve our focus on the needs of customers and residents in designing and providing services.
 - Community Strategy, incorporating Local Area Agreement
7. The development of a programme of work to deliver all of these priorities should 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. These priorities will strongly influence future IT development but there will remain a need to allocate resource to the replacement and support of IT systems that are not covered by these priority areas.
8. The new IT strategy therefore needs to strike a balance between delivering corporate priorities 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
- **Efficiency** – Integrated Pupil Support Module, Adult Transport, Mobile Working, Youth Service MIS
 - **Customer Service Improvements** – e.g. Mobile working, Mobile library, Crematorium Booking,
 - **System replacement** – e.g. Payroll & HR
 - **Admin Accom programme requirements** – Corporate EDMS, Mobile Working
 - **Partnership working** – e.g. SAP
 - **Stable and secure ITT Infrastructure** – e.g. Data Storage Upgrade, Warden Call, Members PC's, Secure e-mail, Replacement Education Server

10. These themes are all consistent with existing elements of the current strategy and with the corporate themes set out above.

Financial Implications

11. It is now Council practice to finance ITDP 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 lease period, including lease repayments and maintenance costs.
- **Annual Ongoing Cost** – the revenue sum paid each year in lease 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 which 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 2007/8 for IT Development plan investment

12. Not all IT development costs fall on the General Fund. Where applicable expenditure has been allocated to the General Fund, or other ring-fenced funds, such as Commercial Services (CS) or Housing Revenue Account (HRA). Education spend was previously identified as a separate budget, passported to Education from the General Fund but due to changes in Local Government finance, all education spend is now part of the General Fund and is bid for alongside other General Fund bids. 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 2007/08 projected revenue budgets, provision has been made for up to £500,000 to fund the IT Development Plan. The full-year effect of the 2006/7 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 portfolio are allocating funds to meet their share of corporate projects. Their departmental bids are either self funding or time only.

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

2007/8	General Fund	HRA	Commercial Services	Total
Allocation for 2007/8	500,000	27,991	7,632	535,623
Committed 2006/7 Full year	92,481	0	0	92,481
Top Sliced for Easy@york	150,000	0	0	150,000
Remaining Balance for 07/8 Part Year	257,519	27,991	7,632	293,142

13. The table below shows the allocated budgets and the commitments already made for 2007/8.

14. As the Council faces significant budget pressures this year, the Corporate IT Strategy Group (CITSG) have therefore applied strict prioritisation so that only essential bids are recommended for funding.

Options

15. Members have three options :-

Option 1 - To fund all proposals recommended by the CITSG, in Annex A all proposals above the dotted line. This would mean spending £21,409 less than has been allocated for 2007/8, with a total commitment of :-

2007/8	General Fund	HRA	Commercial Services	Total	General Fund remaining Balance
Budget for 07/8 Part Year	257,519	27,991	7,632	293,142	
Recommended Part year spend in 2007/8	236,110	25,384	5,025	266,518	21,409
Recommended Full year spend in 2008/9	303,221	27,991	7,632	338,843	

Option 2 – To fund more proposals 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 HRA funding would need to be provided to cover 07HASS02 SX3 Mobile working proposal. Proposals coming just below the line are :-

07LCCS03 - Mobile Library Connection

This was not recommended because it was not thought to be a significant factor in improving the Councils CPA performance in this area. It would however bring

benefits to customers using the mobile library and is part of the Council Plan. It would cost £1,806 in year 1 and £2,606 ongoing.

Option 3 - To fund fewer proposals than recommended by the CITSG, selecting which proposals above the dotted line they do not wish to fund. Proposals coming just above the line are :-

07HASS02 - Extension of the SX3 Mobile working pilot in Housing.

This project will deliver efficiencies and service improvements by enabling staff to undertake work out in the field. However, the initial pilot has not yet been put in place and this is a relatively expensive solution (the pilot will cost the equivalent of £127.5k one off or £38.8 ongoing and the additional cost of this extension will be the equivalent of £74,375 one off or £28.2 ongoing). The solution has an estimated shelf life of only 2 years as the core SX3 system will eventually be upgraded to make it web enabled, therefore making the proposed mobile solution redundant. The solution cannot be applied to any other back office system which was a proviso of the initial pilot bid. A corporate solution will be developed as part of 07COR03 Corporate Mobile Working project but at this stage we cannot confirm whether this will be able to deliver the Housing requirement. It is therefore proposed that Housing Services specify their exact requirement and identify the efficiency gains to be made. We can then assess whether the corporate solution is capable of delivering the housing functionality. If it is, then this funding will be allocated to the corporate project and housing will be delivered as a priority project, if it is not, then the SX3 solution will be purchased.

07NS01 - Crematorium Booking System – this will be funded from savings and is in line with our e-government objectives

07CR04 – Junction Design Programme – If we do not purchase the software to do this ourselves we will have to continue to pay private sector suppliers to do this for us at huge cost. Cost of proposal £1,342 year 1 and £2,684 ongoing.

07CEX02 – Replacement IT Equipment for Members - Existing equipment is starting to fail and we are having some difficulty procuring replacement parts. After the election, any new councillors will need new broadband connections establishing etc so some budget would need to be set aside to cover this as a minimum. Over the next 4 years the existing kit will become increasingly prone to failure and will need replacing. It would be better to do this after the election. Cost of proposal £13.7k year 1 and £10.7k ongoing. This proposal would be funded by borrowing over 4 years so that the ongoing budget can fund a technology refresh after each election without any need for a further growth bid.

Consultation

16. The proposals have been put forward by Directorates and have subsequently been reviewed by the Corporate IT Strategy Group.

Implications

17.

- **Financial** *identified in report*

- **Human Resources (HR)** *none*
- **Equalities** *none*
- **Legal** *none*
- **Crime and Disorder** *none*
- **Information Technology (IT)** IT implications are set out in the report
- **Other** *none*

Recommendations

18. That Members decide which of the Options outlined in Para 15 they wish to fund.

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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 proposals in priority order with guidance notes

Annex B - Summary of Proposals in alphabetical order