

CABINET	AGENDA ITEM No. 5
23 JULY 2018	PUBLIC REPORT

Report of:	Pete Carpenter Acting Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton Cabinet Member for Resources	
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IT Improvement Plan

R E C O M M E N D A T I O N S	
FROM: Councillor David Seaton, Cabinet Member for Resources	Deadline date: N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the proposed IT Improvement Plan and the potential path being taken of convergence with Cambridgeshire County Council, especially in People and Communities; 2. Approve the inclusion in Tranche 2 of the Budget Proposals a series of short term decisions, dependent on robust business cases, in order to improve the service. This will incur additional expenditure/ investment of up to £1.120m 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a referral from Cabinet on 20 November 2017.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to:

- (a) Approve the proposed IT Improvement Plan and the potential path being taken of convergence with Cambridgeshire County Council, especially in People and Communities;
- (b) Approve the inclusion in Tranche 2 of the Budget Proposals a series of short term decisions, dependent on robust business cases, in order to improve the service. This will incur additional expenditure/ investment of up to £1.120m

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4

‘to promote the Council’s corporate and key strategies and Peterborough’s Community Strategy and approve strategies and cross-cutting programmes not included within the Council’s major policy and budget framework

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. **BACKGROUND AND KEY ISSUES**

4.1 **Introduction**

Further to the decision of Cabinet on 20 November 2017 for the Chief Executive to explore shared services with other local authorities to support front line services, officers have been working with Cambridgeshire County Council (CCC) IT client side in order to explore the potential for a joined up IT service.

Since the previous technology strategy was introduced in 2014 the operating context for the Council has changed considerably.

The move to Sand Martin House has required investment in a new IT network. Due to evolution of the hardware and networking techniques Peterborough City Council (PCC) will be adopting a different model of networking. This change will result in reduced time and cost for PCC in respect to the management of its networking infrastructure. This new approach will also allow PCC, CCC, and other Partners networks to work together more effectively leading to more seamless joint working across front-line teams.

The largest Directorate, People & Communities is shared across PCC and CCC. This presents an ideal opportunity to investigate how IT systems and infrastructure can be shared. This would facilitate the development of shared practice as well as the potential for reducing costs in these high pressure, demand led services by diverting resource from managing systems and processes to supporting people.

A number of officers across the People & Communities Directorate work out of both Peterborough and Cambridgeshire offices. At present, PCC and CCC use different office productivity systems to access emails and calendars. The future arrangements for office productivity systems in each Authority is being investigated. A shared approach to such systems would enable officers to work more effectively across these organisational boundaries. This will help with realising savings and providing a better service to our citizens.

Building on the success of the shared senior leadership positions we want to explore other opportunities to reduce costs, to build resilience across the IT teams and to increase knowledge, expertise and resilience across both organisations.

4.2 **The Initial Review**

The Council has identified that it requires to update its IT strategy in order to become sustainable in the long term

Since October, with the help of CCC IT staff it has started this process by:

- Rationalising its data storage solution;
- Facilitating the move to Sand Martin House by ensuring there is a robust IT solution in place;
- Reviewing the “Front Door” solution to assess future direction;
- Starting the work required to underpin the new IT Strategy.

With the commitment of PCC and CCC to work together more closely, building on the

current shared service model, the recommendation is that a shared set of the strategic principles are set out for in an IT and Digital Strategy for both Peterborough and Cambridgeshire. This would provide a firm basis for both organisations to move forward together.

In order to move forward from this initial work and ensure that the Council is in a better place to integrate with its Customers and Partners, there is the requirement for the following investment and work to be carried out. This will facilitate the delivery of a new IT and Digital strategy and improve service delivery to users.

4.3 **Short Term Tactical Decisions**

There is the requirement for the Council to ensure the Council is in a better place to integrate with its customers and partners. These decisions are listed below and described in more detail in the next section of this report. The estimated total costs of these decisions are set out in the table below with further analysis set out in the appendices.

Proposed Decisions	Estimated Total Cost £m	Reference
Decision 1 Carry out a full systems review and create an IT Route-map to facilitate a new IT strategy and prepare for convergence for agreement by both PCC and CCC e.g. Liquid Logic, Capita1, Frameworki/Mosaic, CRM, Agresso and website.	0.500	Para 4.4
Decision 2 As part of the Route-map move from a partially implemented Google office productivity solution (G-Suite) to Microsoft Office 365. The estimated cost of implementing the change in 2018/19 is £0.250m	0.250	Para 4.5 Appendix 1
Decision 3 Consolidated IT support services within PCC to build an improved IT support service	0.170	Para 4.6 Appendix 2
Decision 4 Implement Service Level Agreements with Serco to support key line of business systems.	0.200	Para 4.7
Total additional expenditure	1.120	

Short Terms Decisions

4.4 **Decision 1: PCC systems review and creation of an ICT Route-map for convergence for agreement by PCC and CCC**

The majority of the Council's Line of Business systems are well established software platforms that are considered by the market to be in the top five in their respective disciplines. Each of these systems are supported by vendors who provide periodic updates including updates that support statutory changes. These systems are, by their nature, operated in silos and inevitably this leads to multiple databases holding different parts of the corporate information repository.

In November 2017, Cabinet authorised the Chief Executive to explore shared services with other local authorities to support frontline services.

As part of this, work has been undertaken to start to produce a combined PCC/CCC roadmap for Line of Business systems across both organisations, in order to develop and agree a plan for system and operational process alignment. This will require convergence of the business processes and systems across service areas within scope of the review.

There is the requirement for Executive approval to move this from being exploratory to an agreed stabilisation strategy take this work forward.

The resource requirements are still being scoped out fully but the initial estimate of expenditure required will be £0.5m during 2018/19. in order to undertake a review as a matter of urgency.

As the IT Strategy changes from the original 2014 vision to different solutions, existing expenditure will need to be written off in the delivery of the new solutions.

A further paper will be produced once the new IT and Digital Strategy has been formulated. This paper will include those costs that will need to be/have been written off.

4.5 **Decision 2: As part of the Route-map move from a partially implemented Google office productivity solution (G-Suite) to Microsoft Office 365.**

As at June 2018 the Council has a partial implementation of Google G-suite for Office applications, with most people using Google for mail and calendar and some also using Google Docs. Most documents and spreadsheets however, are currently created and maintained in Microsoft Office.

When the decision was taken to move to Google software the financial case showed that it would be a cheaper option than remaining with Microsoft Office software. Further investigation has identified that this is not the case. Moving back to Microsoft will have the advantage to staff and the Council of:

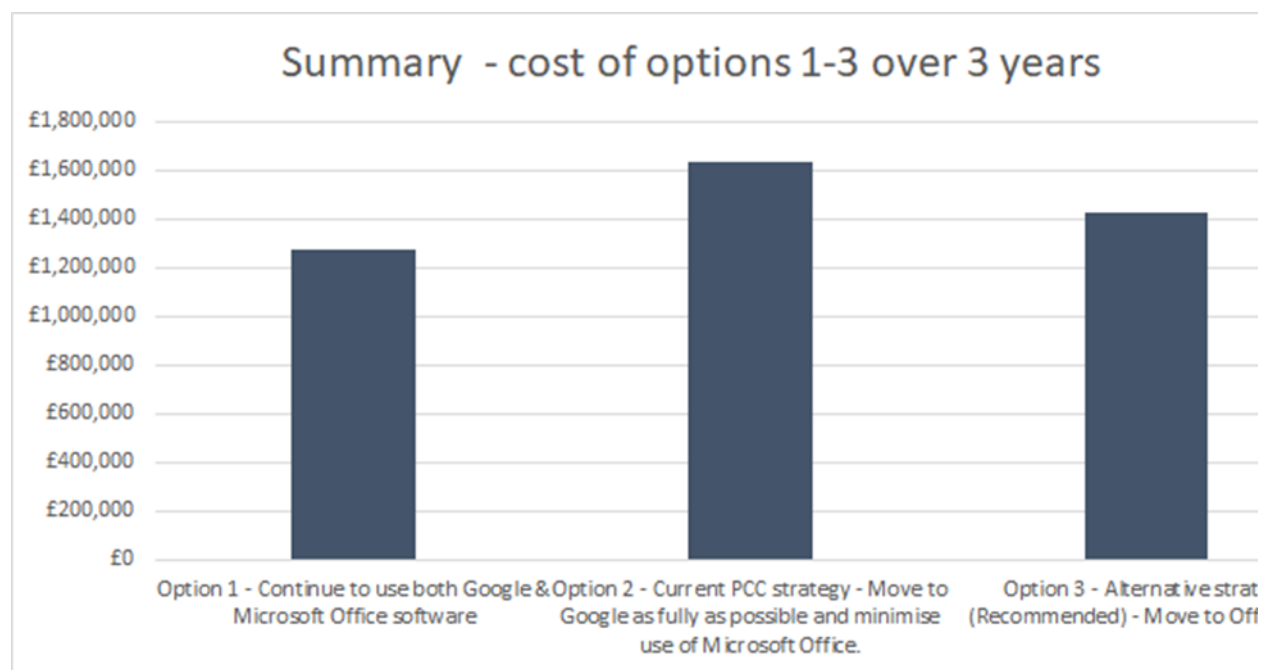
- Being on the same platform as the County Council which will lead to efficiencies as more joint work is undertaken;
- Ease of communicating with other Councils – who will be on the Microsoft platform and associated suite of applications;
- Not having multiple versions of documents and spreadsheets in Google and Microsoft formats; and,
- Ensuring that the core platform has access to the majority of industry standard applications (as they are linked to the Microsoft platform).

The Council has assessed the costs of three options:

- Continue to use both Google and Microsoft Office Software;
- Move to Google as fully as possible and minimise the use of Microsoft Office;
- Move to Microsoft Office 365.

The costs over three years of the three options considered are summarised in the graph below and the summary business case is set out in Appendix 1. Within these figures, the estimated one-off cost of implementing the change within option 3 during 2018/19 will be £0.250m which will require budgetary provision to be made. There will be the

requirement of a final business case to implement the project which, as set out in this Report, will require the approval of the Cabinet Member.



It is recommended that the Council implement option 3 - a move away from Google and to Microsoft Office 365 with effect from 1 April 2019. This will cost £1.423m over three years to 2020/21 compared to the current strategy (option 2) £1.633 and the use of one office suite will be more conducive to long term agile working and shared services and realisation of efficiencies elsewhere in the organisation.

4.6 **Decision 3: Resources required to build an improved IT support service**

IT and Digital Services are vital to the future of the Council. So much of what we do as a Council is dependent on having effective IT and Digital Services. In common with many local authorities the commissioning and delivery of the systems and the support and analysis of the data is both complex and spread across the organisation.

At the moment the Council has a devolved ICT staffing structure. It is imperative that all IT staff are consolidated within one team, along with all associated budgets to ensure full control of IT spend, solutions and the establishment of a uniform service.

The acceptance of sharing resources between Cambridgeshire and Peterborough includes senior IT management. As we move to an environment of wider sharing of not just staff, but IT & Digital systems and services, it will become more important that the delivery and support mechanisms for these systems are aligned.

We have already identified some synergies between business systems across PCC and CCC, and these represent opportunities to share resources, remove single points of failure and rationalise where possible. In the long term (12-18 months) it is proposed that the client side IT & Digital services between PCC and CCC are combined into a single service.

However, it is recognised that PCC cannot wait for 18 months before it can realise any benefit from shared opportunities with CCC. It is proposed that a 3 stage process is used to provide incremental improvements over the next 18 months to how IT and Digital services are resourced. This will require a vacant position to be funded and filled, a new

shared Client manager role to be created and a new Operations Lead post to be scoped, created and filled.

In addition to the above, the formal approval to continue with a joint head of IT & Digital across both PCC and CCC is requested.

Detailed costs are in Appendix 2

4.7 **Decision 4 – Implement Service Level Agreements with Serco to support key line of business systems**

At present, there is no single support route for services or staff for key line of business systems in Adults and Children’s Services, or Education.

This results in system issues taking a long time to resolve, and costing the organisation time and money to sporadically fix issues. Teams are dealing directly with suppliers to try to resolve issues, and do not have the required skills to effectively manage this.

Working with Serco, we are creating a number of SLA’s to support:

- Frameworki – for Adult services
- Liquid Logic – For Childrens
- Capita One – For Education
- Synergy – for School Admissions
- Routewise and Novis – for School Transport
- Technology Forge – for property services

The initial estimated cost to implement these SLAs (including building the required knowledge to support these systems, is approximately £0.2m. This will create correct support routes with suppliers and upgrade paths. It is expected to require approximately £0.020m per annum each in ongoing support. These initial estimates will be refined over the summer.

5. **CONSULTATION**

- 5.1 Consultation will be required when staff are consolidated across both Councils in Decision 3.

6. **ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 The implementation of the actions in this report will start the Council on the route to a more resilient and responsive IT service as well as preparing the Council for more effective joint work with Cambridgeshire County Council and other partners.

7. **REASON FOR THE RECOMMENDATION**

- 7.1 With the Council:
 - Requiring to update its IT strategy;
 - Moving to more agile ways of working, and:
 - Delivering more services in partnership with Cambridgeshire County Council.

There is the requirement for the convergence of systems and processes. This paper sets out the first steps in this process.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Do nothing – this would result in the Council running an in-efficient IT service, not delivering for its customers;
Formulate its own strategy and route-map – although this would be very Peterborough centric, it would not address the IT issues and strategy required for the joint service delivery model being implemented with the County Council:
Formulate a joint strategy with the County Council.

9. IMPLICATIONS

Financial Implications

- 9.1 The report sets out for approval, additional expenditure of up to £1.120m which is anticipated to be incurred in relation to implementation of the four short term tactical decisions in order to improve the IT service.

Legal Implications

- 9.2 There are none.

Equalities Implications

- 9.3 There are none.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Peterborough City Council Information Strategy - 2017- 2022

11. APPENDICES

- 11.1 Appendix 1 – Strategic Context
Appendix 2 – Resources Required

Appendix 1: Move from a partially implemented Google office productivity solution (G-Suite) to Microsoft 365.

Background

A review has now been conducted and from the available information, it was assumed that PCC would be able to almost completely cease using Microsoft software and that the software licence costs of Google would be cheaper overall. Certain elements of software licensing (i.e. Exit costs from the current Microsoft contract) and costs of change appear not to have been considered with the consequence that PCC are currently using and paying for both sets of software.

Strategic context

With the move to Sand Martin House, the plan to increase shared services with Cambridgeshire County Council and other significant changes to the property portfolio, the Council has a clear requirement for staff to work in a flexible and agile way and has programmes in place to support this. IT is a critical facilitator of this change and office applications are fundamental as they are the tools used by almost all staff on a daily basis and also integrate with key line of Business systems.

Some senior posts are already shared with Cambridgeshire County Council and more sharing of services is planned. Secure and straightforward sharing of information through email and documents is an important building block of sustainable and effective shared services.

. There have already been requests for staff who work across both authorities to have a more straightforward way of managing email, calendars and document sharing across both authorities. It is anticipated that this requirement will grow with the further sharing of services. Secure and straightforward sharing of data outside of email is also a requirement, particularly for P&C.

CCC utilise Microsoft Office with an almost complete rollout of laptops to staff, they have also recently started a 3 year contract with Microsoft and have no current plans to move to Google. They are however planning to move to Office 365 by April 2019 and that presents an opportunity to design the technical solution to meet the current and future requirements for sharing services – e.g. simplified calendar and email sharing and secure single document storage and sharing.

Financial Position

As the Council is currently utilising both Google & Microsoft software it is contracted to pay for both at a total cost of £606,823. Of this £405,319 is paid to Microsoft and £201,507 to Google (note this is expected to rise at the next licence renewal point). These are separate licence agreements which have a significant area of duplication around Office applications.

Of the £405,319 committed to Microsoft £185,982 is infrastructure related and should not be used in a comparison of cost or functionality between Microsoft & Google as those server and system licences will still be required.

It must be noted that if the Council continues with Google Office applications as its strategic approach it cannot be assumed that the authority will cease using all Microsoft Office software and any remaining use of Microsoft Office applications would need to continue to be licensed at full cost. Areas to be considered here include:

- Integrations – for instance Agresso uses Word & Excel
- Functionality – some people use Excel and Access functionality
- Interoperability with other councils & central government
- Continued access to and use of **existing** Microsoft Office documents & spreadsheets

The most aggressive estimate (from Google) is that 80% of Council staff would be able to cease using Microsoft Office applications and transition to fully and only using Google software. That would mean that approximately 567 staff would require access to Microsoft Office applications. Most of these would be budget managers using Excel but some would also need Word or Access. However it should be noted that there are contract limitations (minimum levels) and exit costs in the Microsoft contract that need to be considered. The costs of this ongoing use of Microsoft software have been incorporated into the costings for Options 1 and 2 below.

Options considered

Option 1 – Continue to use both Google & Microsoft Office software

Pros:

- Builds on work already undertaken to move staff to using Gmail for mail and calendar

Cons:

- PCC are paying for both G-Suite and Microsoft Office licenses.
- Staff have expressed dissatisfaction with the Google solution which does not meet business needs.
- Little training for end-users.
- Staff unclear on where to save & access shared/team data leading to potential data loss
- Lack of interoperability with CCC
- Multiple email addresses and calendars for staff in shared PCC/CCC roles that cannot be automatically synchronised across the two different systems
- Inconsistent user experience
- Difficulty exchanging data with other councils, central government and integrating with other key applications.

Option 2 – Current PCC strategy - Move to Google as fully as possible and minimise use of Microsoft Office.

Although the current situation is a mixed estate the agreed strategy is for the Council to move to using Google as fully as possible and to move away (as much as possible) from Microsoft.

Pros

- Builds on work already undertaken to move staff to using Gmail for mail and calendar
- If almost all staff are working entirely on Google it will be clear where to save & access shared/team data

Cons

- Licence costs – most expensive over 3 years.
- This option includes 'buying out' Microsoft licenses in 19/20 to enable the organisation to continue using Microsoft files (documents and files) up to the latest version of Office, but will not be able to upgrade to future versions without additional future expenditure.
- Considerable costs of change to fully implement Google
- Considerable costs of change to move away from Microsoft and Microsoft based applications
- Integration with line of business systems
- Interoperability with other authorities email & calendar (esp. Cambridgeshire)

Option 3 – Alternative strategy (Recommended) - Move to Office 365

An alternative would be cease using Google software and move to Office 365 (the Microsoft equivalent to Google).

Pros

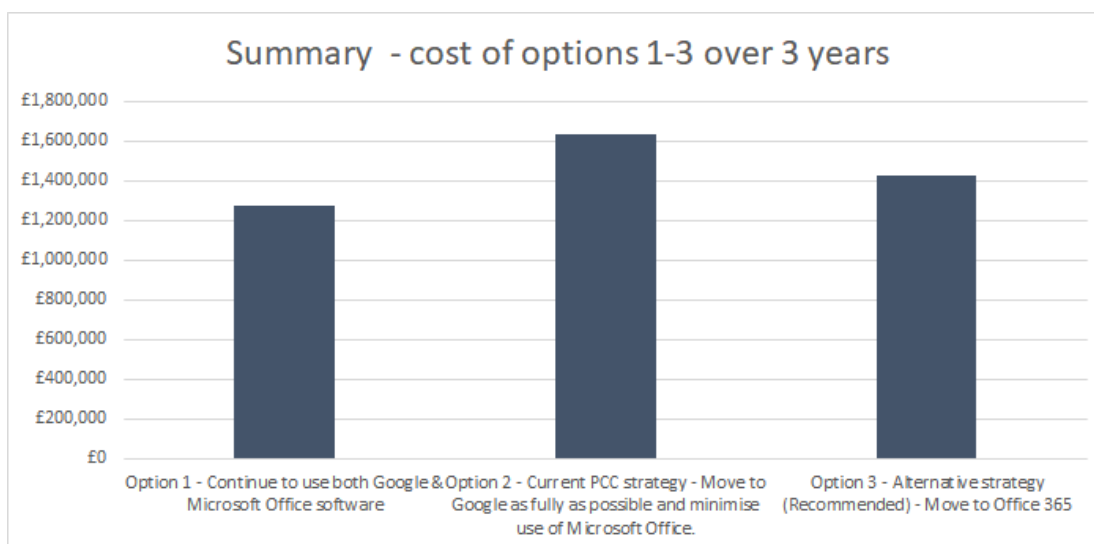
- Microsoft products have been used within PCC, and in most Local Authorities, since PC's were introduced, so staff are as familiar, and potentially more familiar, with their operation as with any other system. Ease of use with a system means less downtime spent learning a new system and improved productivity, it can also have a positive impact on staff wellbeing.
- If all staff are working entirely on Microsoft it will be clear where to save & access shared/team data
- Facilitates current and future sharing with CCC and also the majority of other councils
- Microsoft products are also heavily integrated into many line of business systems. More comprehensive use of Microsoft reduces development costs and the proposed user based licensing will mean licences can be reused by the individual, again saving significant costs.
- Microsoft Office products are used in two of the major systems in use in PCC (Framework-I and Agresso), plus numerous others - compatibility between these major systems is undoubtedly beneficial as we are already experiencing issues with systems requiring integration to a productivity suite that does not support Google.
- CCC also plan to move to Office 365 by April 2019
- Licence costs - this is cheaper than continuing with the current strategy.

Cons

- Some costs of change to fully implement Microsoft Office 365
- Licence costs – more than current situation

Financial implications

The graph and table below summarise the estimated cost of the three options considered based upon supplier renewal information over the three year period to 2020/21. The wider review of the IT service and its budgets will be required in order to determine budgetary requirements more fully from 2019/20 and over the medium term. This work will be carried out during 2018/19.



Appendix 2:

Decision 3; Resources required to build a stable IT support service

Staffing Changes Stage 1 – Early Integration – Immediate implementation

1.1 Temporary Information Services Team Manager.

The Information Services team in People and Communities have a vacant, unfunded, role of Information Services Manager. This team needs daily leadership and support, and it's essential this role is now funded and filled. Business systems deployed across the People & Communities directorate are some of the most important systems that the council runs, they are typically highly complex and have a very large number of users, and there are significant risks to the service, their system and data without this close leadership.

In addition, recruitment into this role paves the way for longer term re-structuring described in Stage 3 below. With this in mind, it is proposed this role is for a temporary term (yet to be determined) until Stage 3 is complete.

1.2 IT Client Team

In both Peterborough and Cambridgeshire, an IT Client Team manages the relationship between services and the relevant IT provider – for PCC that's Serco, in CCC that's LGSS. In addition, the effectiveness of this function is very dependent on the governance processes of the authority. This client team also helps support IT projects and contracts across both authorities, providing a single resource that's all knowing when it comes to how the authorities operate.

It is proposed that the client teams from both authorities are combined to produce a single team.

As the authorities begin to further align the delivery of ICT services, the combined experiences of managing both LGSS and Serco will be invaluable to this joint client team.

To ensure this relationship works, it is proposed to create a position of IT Client Team Manager, who will oversee and provide leadership and additional governance to that combined team, working and funded across PCC and CCC.

1.3 LGSS Support

Until such time as phase 2 (October 2018) is completed, the team is likely to continue to need external contractor support which is currently being provided by LGSS resources supplemented by an independent consultant.

Staffing Changes Stage 2 Implementation by 1st October 2018

The approach outlined in stage 1 provides a foundation structure on which to begin sharing IT & Digital services. The additional resource is in recognition that we will have a doubling of the number of IT systems in the short term and the 'built up' demand particularly in PCC will make this unsustainable bearing in mind the need for current levels of service to be maintained in CCC.

In stage 2 we propose that an 'Operations Lead' role is created within the structure who are able to deal with the day-to-day management of both CCC and PCC IT Systems.

An 'Operations Lead' post could be created as a 12-month fixed term position, funded from 2018/19 and 2019/20. This is dependent on the speed at which the two organisations can move to phase 3 of this process.

Stage 3 – Full ICT Restructure by end of Q1 2019/20

The two stages outlined above bring together client team resources and some P&C systems functions from across authorities, but it doesn't solve the much wider spread of business systems skills across PCC.

Across the organisation we currently have a range of staff supporting many IT business systems. They are primarily systems super-users and application administrators. In addition, there are other members of staff who are responsible for extracting data and creating complex spreadsheets to analyse data from these systems. These small pockets of IT knowledge and expertise are often very close to their associated business intelligence functions, they understand the interaction between the business and the IT system but in many cases, they lack resilience. Bringing these resources together will strengthen our resilience and will allow these resources to be even more effective.

It is important that the staff who support these business systems continue to work with their Directorate and Service colleagues but are also given the opportunity to use their application administration skills across different parts of the business.

The analysis of the staff involved together with the associated work required to restructure them into a single team that can operate effectively across 2 authorities is considerable, and it is anticipated that this may form part of a wider restructure as PCC and CCC become more aligned with one another.

This analysis and restructure work for ICT is likely to require external support and in order to have any chance of being implemented by April 2019 should start no later than August 2018.

The analysis should be across both PCC and CCC as this would also represent a good opportunity to 'tweak' the IT & Digital team structure created at CCC during 2017.

Financial implications

The financial implications of Stages 1 and 2 are set out in the table below. Where possible, costs will be retained within approved budgets. However, up to £106,150 may be required to be funded from the capacity building reserve.

	18/19 Estimated Expenditure £	19/20 Estimated Expenditure £
Stage 1		
Shared Head of Service	36,150	
LGSS – external support	10,000	
LGSS – external support	10,000	
Technical Advisor – external		
Client Team Manager	20,000	
Information Services Manager	35,000?	
Stage 2		
Operational Leads	30,000	30,000
TOTAL	140,150	30,000

The financial implications of Stage 3 are unknown at this stage, but it is realistic to target a 20% reduction in organisational costs resulting from changes to the PCC ICT structure. The total cost of ICT resources within PCC is not fully transparent and it will not be possible to fully establish these until the analysis work has been complete. It would not be unusual to find ICT resource costs in excess of £500k as part of this exercise. It may also identify resources that would be better placed working as part of the outsourced ICT service.

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