

Information Systems Update

SUMMARY

- 1.1 The Board has asked for a report covering “Review of ICT – to look at Council’s ICT requirement, its expenditure and how this is controlled at the corporate level; and efficiency savings”.
- 1.2 This report focuses on three aspects of the Information Systems (IS) service :
 - i) The service delivery review that is currently underway
 - ii) The arrangements for managing both new requirements and the replacement of existing Information Systems when they reach their end of life
 - iii) How Information Systems can enable efficiency savings for the business

RECOMMENDATION

- 2.1 To note the progress with the information systems service delivery review.
- 2.2 To note that revised and enhanced governance procedures in respect of managing Information System contracts have been introduced.
- 2.3 To note the examples where investment in information systems can act as an enabler of efficiency savings by the business.

REASONS FOR RECOMMENDATION

- 3.1 The review of the Information Systems (IS) Service delivery model has been undertaken in the context of the financial pressures faced by the Council, the work to examine the future shape of the Council and the changing technology market-place. This has been a thorough and robust review considering a range of options and the work and costs involved with moving from our current hybrid service delivery model to any of the new models.
- 3.2 The new governance arrangements for managing investment in new and replacement systems comprise:
 - i) A re-constituted Information Strategy Board
 - ii) Closer links between the business planning process and the identification of potential information system projects with a new quarterly check as part of

- the performance management reviews undertaken with each directorate.
- iii) A defined link between the procurement thresholds and the approval process for new and replacement information systems and better information on existing IS contracts in the corporate contracts register.
 - iv) A requirement to check if an existing corporate system (eg CRM, EDRMS, GIS, Finance system) or a proven departmental system can meet the business needs before any new system is purchased.

These all establish stricter procedures for how information systems are purchased and managed.

3.3 Investment in information systems does contribute to efficiency savings by delivering robust information systems alongside new business processes and in providing more customer self-service facilities helps to enable efficiency savings. It is difficult to directly attribute such savings back to the IT investment because new technology alone does not achieve such. The Council has a number of diverse examples of such including :

- i) The new technology environment supporting mobile, flexible and remote working, and contributing to the property rationalisation programme
- ii) The Customer Relationship Management System linked to internet e-forms that support customer access channel shift and more efficient end to end processing of customer requests.
- iii) The new Electronic Documents and Records Management system that has reduced the volume and cost of storing paper files, has made it easier to access and use stored files and is improving our information security management.
- iv) The new GIS system that has consolidated disparate data sets allowing better and more intelligent use of spatial data, reduced costs of different mapping systems and provides better customer access to geographic data.
- v) The on-going e-Services project that is developing with a number of business services detailed plans to use the same technology to deliver both better customer access and to support the improvement of business processes allowing respective services to achieve greater efficiency.

It would be both difficult and wrong to attribute directly all of the savings from such schemes to the Information Systems they use, however it is true that many of these savings could not be achieved without new or changed information systems. The systems themselves do not deliver the savings, it is how they are used and how business processes are improved to take advantage of the new technology.

SUPPORTING INFORMATION

4.1 The IS service commenced a service delivery review in January 2013 looking at

different options and in the knowledge that the existing contract with Serco expires in March 2016 and typically would take 18 months to replace. We have explored a range of options including:

- i) Retaining a hybrid service with some in house and some outsourced and letting a new contract
- ii) Extending the current contract with Serco both in length and the scope of services (in effect moving to a full out source)
- iii) Bringing the service back in house with some elements contracted in.
- iv) Exploring options for a shared service with other local authorities.

For each of the above understanding how the new Government Cloud framework and cloud computing can help deliver a different model for both delivering and for budgeting for information system services.

We have also explored options around moving from Microsoft to open source software, for developing a Use Your Own Device strategy and for adopting software as a service solution.

4.2 This review has included a series of activities including:

- research into the market place,
- case studies and market assessment of recent decisions made by other councils
- exploring the success or otherwise of local government shared information system services and testing the appetite for such within the region
- Verifying the take up of cloud based and open source solutions (both of which are still at an early stage)
- Modelling how we could deliver an in house solution
- A proposal developed by Serco for extending the existing contract, both by extending its length and changing the scope of services
- Independent consultancy advice on the different options

4.3 At the same time in accordance with the decision made by Cabinet we are also developing proposals for the closer integration of the IS function between the Council and Derby Homes. We are confident this can and will deliver economies of scale and opportunities for both software and network consolidation; in deed we have already delivered one major saving by consolidating the two different contact centre platforms.

4.4 The outcome of this service delivery review will be reported in the autumn, allowing us to implement the preferred new model and to agree and realise any other savings opportunities that can be in parallel to a new service delivery model. Whatever solution is chosen it is important that it is more agile and flexible and does not include high fixed costs to avoid lock in which may not suit the future shape or needs of the Council.

4.5 The governance arrangements for IS contracts and projects have been reviewed and new arrangements agreed by the re-constituted Information Strategy Board. The key planks of this are:

- i) Better advanced planning of new and replacement systems by closer links to the business planning process (this will avoid services leaving it too late to re-tender for systems when they near end of contract). Heads of Service will be asked to flag each quarter any IS needs be these new systems or replacement for contracts due to expire in the next 12 months.
- ii) Closer integration with the procurement regulations both with forms that require business cases for new systems and by reviewing the current systems and annual expenditure. The fact we have centralised the key budgets means we can now review expenditure by supplier and identify where there is regular and on-going payments to suppliers but no contract for such on the contract register. We are reviewing the spend by supplier against IS codes each quarter and by year end will have a more comprehensive corporate register.
- iii) The fact that all orders using specific IS subjective codes now need to be counter approved by the IS department. This may not have stopped all maverick spend as services could code IS spend to non ICT codes, but we do believe it has highlighted and changed practices in particular where consumable items were being coded to hardware or software codes.
- iv) Where services do not follow the agreed procedures this will be reported to the Information Strategy Board and to the respective Director and Strategic Director.

4.6 The Information System Service has delivered budget savings as required for each of the last three years, some of these have been through efficiency savings and others (such as reducing the service desk opening times) have been a result of service reduction. Examples of some direct savings are:

Re-letting the Oracle DBA and Technical Support Contract has led to savings of £25,000 per annum.

Reduction in the number of licences that are required for applications, for example Civica APP the number of licences were reduced by 17 in 2012/13 resulting in a saving for the Council of approximately £8,500 per annum.

Accurately planning and commissioning a Microsoft Enterprise Core Infrastructure agreement for the Data Centre infrastructure software avoiding over £100,000 of Microsoft cost increase.

Letting a new contract for a wide area network provider which will deliver increased capacity and contribute to ICTs savings targets of around £100,000 per annum.

Delivering a newer remote based support model for desktop infrastructure as part of the Desktop refresh project which resulted in savings with our Serco Contract

Changing the underpinning telephone technologies to enable savings on telephone line rentals to the council.

Changing the applications software used to secure and protect our emails and our network from hostile intrusions, viruses and spyware delivered £30,000 per annum.

- 4.7 The use of modern Information systems also acts as an enabler to the business to achieve wider efficiency savings across a wide range of functions including
- Property rationalisation
 - Workforce mobility through home and remote working
 - Customer channel shift and self-service, primarily through the CRM and Internet enabled e-forms
 - Improved document management (EDRMS), reducing paper storage, making it easier to access and manage documents and improving information security
 - Enhanced spatial and geographic data (GIS) for use both internally and made available to customers
 - An e-Services programme comprising re-usable tools that can help different parts of the Council. These tools include master data management that improves consistent recording and sharing on data (eg, single customer reference); authentication and verification tools allowing customers to register and access secure personal and sensitive data; a new mobile portal allowing easier access to self service facilities from both internet and mobile phone platforms and auto acknowledgement and auto fulfilment tools to respond to incoming email and sms service requests.

The use of these are driven by the respective business services and it is how they use the technology tools that enables efficiency savings, some examples for different services is given in the following paragraphs.

4.8 **Customer Relationship Management (CRM)**

Customer channel shift and self-service, primarily through the CRM and Internet enabled e-forms which are being progressed in conjunction with the phase 1 implementation of the e-Services programme.

4.9 **Electronic Records and Document Management (EDRMS)**

The new EDRMS system is running from several different angles to introduce a standardised and shared electronic filing systems across the council. In some areas, we have completed a full EDRMS deployment, where a single view of a particular item (place, person, customer, property) is worked on by a number of different teams in a collaborative way. This reduces the number of independent filing silos and provides pre-defined, fully record managed and protectively marked storage areas that can be used by different teams. This includes standardizing all electronic personal records across the organisation to support a single view of each individual record, with appropriate permissions for the various aspects of HR, occupational health, a manager and an employee.

We have also introduced standardise business process workflows (in HR Recruitment) to reduce manual intervention and enhance visibility of the process.

The other aspect of the project is introducing digital mail across the entire council house, centralising much of the council's scanning requirement into one mail room and supporting teams to work with electronic versions of files from the moment they arrive into our organisation.

4.10 **Geographic Information System (GIS)**

The new GIS system that has consolidated disparate data sets allowing better and more intelligent use of spatial data, reduced costs of different mapping systems including administration and support costs, centralised administration responsibilities thus reducing administration time, reduced procurement costs of other systems by providing mapping options, prevented purchasing of data to support other systems, and provides better customer access to geographic data.

4.11 **E-Services**

The e-Services Programme is implementing a series of enabling technologies to support channel shift as part of Phase 1 of the programme which includes delivery in Customer Management. These include Numero which will provide a triage system for email contacts to reduce avoidable contacts. The implementation has progressed and this is close to UAT. Master Data Management (MDM) will provide a single view of the customer made up of customer records from five systems which will reduce the manual cross checking of data. Biztalk, an integration hub, will provide the capability to integrate existing applications dependent on business need. Authentication and Verification (A&V), will provide a deeper ability for users to access information that is personalised and localised to their preferences thereby encouraging self service.

The programme is currently reviewing its option for a transactional portal which can be mobilised for tablets and mobile phones to allow customers to access services wherever they are to increase 24 hour access and reduce the number of telephone and face to face transactions.

Business cases in Adults, Health and Housing and Children and Young People have been scoped and are being further developed with the services to capitalise on the implementation of the enabling technologies in Phase 1 and encourage channel shift in these areas.

OTHER OPTIONS CONSIDERED

5.1 None

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	
Human Resources officer	N/A
Service Director(s)	

Other(s)	Glyn Peach – Head of ICT (technology environment) Lynda Innocent – Head of ISS (technology environment) Kath Gruber – Director of Customer Services (CRM) Amanda Verran – Head of Business Support (EDRMS) Gavin Thompson – Head of Policy, Research & Engagement (GIS) Kirsty Alldread – Resources Programme Manager (e-services)
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Appendix 1

IMPLICATIONS

Financial and Value for Money

- 1.1 This report explains the new procedures being implemented to improve the management of IS contracts and the provision of new and replacement computer systems.

Legal

- 2.1 The revised procedures are intended to improve compliance with procurement regulations and reduce the occasions when contracts are extended because not enough time has been allowed to source a renewal/replacement.

Personnel

- 3.1 None arising from this report.

Equalities Impact

- 4.1 None arising from this report.

Health and Safety

- 5.1 None arising from this report.

Environmental Sustainability

- 6.1 None arising from this report

Asset Management

- 7.1 None arising from this report.

Risk Management

8.1 None arising from this report.

Corporate objectives and priorities for change

9.1 The Information Strategy Board is one of the corporate governance boards reporting through to both the Innovation and Derby Work-style boards.