



ICT Transformation Programme April – October 2011

SUMMARY

- 1.1 This report identifies the planned programme of projects to be undertaken as part of the 'one Derby, one council' transformation programme between April and October 2011.
- 1.2 The ICT transformation projects have been divided into three programmes of:
 - A. ICT Stabilisation (Infrastructure Stabilisation and Technology Cost Reduction).
 - B. Customer/Service Delivery Applications.
 - C. Recant and New Work-style.

There are also a number of tactical ICT projects funded from the development days budget that contribute to the ICT Stabilisation programme.

We are now detailing the projects due to commence under programmes A and B in the next six months; it is not envisaged that any projects will commence under programme C in this time period (although this programme will begin to be scoped in that time).

RECOMMENDATIONS

- 2.1 To approve the list of projects identified to commence between April and October; with the respective revised budgets identified (Appendix 2 and 3) , requiring that any budget variation in excess of 10% for an individual project; or that cannot be contained within the overall ICT transformation programme is subject to further approval.
- 2.2 To agree the revised budget profile for the ICT Transformation programme (Appendix 4) based on the more detailed estimates; noting that the variations identified can all be accommodated within the total budget agreed.
- 2.3 To amend the governance arrangements for ICT Transformation giving responsibility for this programme to the ICT Strategy Board, who will report to the 'one Derby, one council' Operational and Strategic Boards.
- 2.4 To authorise the ICT Strategy Board to identify and appoint project sponsors for each project due to commence in the next six months.

REASONS FOR RECOMMENDATIONS

- 3.1 It is important to define a detailed action plan and to increase the pace in which the ICT transformation programme proceeds in order to ensure the outcomes of such projects can help deliver both the planned service delivery savings in the 'one Derby, one council' Design Mandate and help the Council to continue to deliver good quality and responsive services with fewer resources.
- 3.2 The original budget profile for each project was based on early estimates, now that further work has been undertaken we have better estimates in particular we have been able to break down the large £2,942,000 Network budget into a number of specific sub-projects and we have better estimates for the CRM project and for GIS.
- 3.3 The ICT infrastructure projects identified in programme A (See Appendix 2) will upon completion enable us to achieve a target cost reduction on the contract with Serco estimated to be £250,000 a year. This will contribute to the agreed £400,000 cost reduction on this contract that has already been built into the 2011/12 budget.
- 3.4 The customer service/service delivery projects identified in Programme B (See Appendix 3) will upon completion contribute to the service delivery savings and to rationalisation and consolidation of both business processes and ICT systems. These projects are those with the biggest targets for either cost reduction or increased productivity.

SUPPORTING INFORMATION

A. ICT Infrastructure Projects

- 4.1 The projects identified all have three objectives to improve the ICT infrastructure in the short term:
 - to replace obsolete equipment that is more costly to operate and support, has higher downtime and is less energy efficient
 - to consolidate and rationalise ICT equipment allowing greater sharing of resources and more flexibility for the future
 - to result in cost reduction either through the contract with Serco or in lower costs paid to other suppliers.

All of these will deliver benefits prior to Decant, and most of the equipment and associated costs are either based on the remote data centre or on equipment that can be easily moved and re-used upon decant.
- 4.2 These projects will be driven by the Director of ICT, and managed within the ICT service. They are all technical in nature and do not require any procurement activity as they fall within the scope of the existing contract with Serco.
- 4.3 Appendix 2 identifies the list of projects identified, the provisional budgets for each project and the project sponsor within the ICT service.

B. Customer Service/Service Delivery Applications

- 4.4 The projects identified all aim to improve both customer services and overall service delivery in one or more business functions of the Council. Whilst the detailed objectives may differ there are some common objectives...
- To support the improvement of existing business processes and to provide tools which compliment the new business process models allowing for more efficient service delivery.
 - To support both the transfer of more customer interactions to the Customer Services team and to provide more facilities allowing customers to undertake self service transactions through on line portals.
 - To help deliver efficiency savings through higher productivity, more efficient workflow processing and eliminating costs of duplication (of both work and of ICT systems used).
- 4.5 These projects will be driven by the Transformation Programme, reporting to the Director of Transformation and supported by the Transformation Team. However it is critical that for each a senior business lead is identified to act as the project sponsor and to drive each individual project.
- 4.6 Appendix 3 identifies the list of projects identified, the provisional budgets for each project and where known the proposed project sponsor within the business. It is intended that a series of workshops are held to kick off these projects and to identify the business requirements and to develop a more detailed business case. These will happen at monthly intervals commencing with the EDRMS system in February and the GIS system in March.

C. Recant and New Work-Style

- 4.7 Although no projects are planned to commence in this programme it is important that work commences to evolve the strategy. This will include:
- identifying different work-styles that will influence what type of computer equipment staff will have
 - considering the layout of the new Council House and how wireless or wired networks may be needed to support maximum utilisation
 - agreeing the technology that will support secure remote and mobile working
 - understanding the proposed accommodation consolidation and organising the required re-cabling (where required, for example CCTV is all cabled to Roman House); and termination of network connections no longer required.
- 4.8 It is envisaged that this strategic work can be largely completed within the next six months allowing the Recant and new Work-Style to be planned in more detail and some pilots to commence well before we move back into the rebuilt Council House. This will be undertaken under the Derby work-style project with relevant officers from different disciplines including ICT.

Revised Governance Arrangements

- 4.9 It is proposed to abolish the ICT Transformation Board and transfer its responsibilities to the ICT Strategy Board. This will allow all ICT schemes to be considered by one board and reduce the number of meetings required.
- 4.10 Currently everyone who sits on the ICT Strategy Board except its Chair sit on the ICT Transformation Board, and Serco were represented at both. The ICT Transformation Board has more members. It is proposed that the ICT Board retains its current membership but invites the respective project sponsors for ICT Transformation projects to attend and provide progress reports. The ICT Strategy Board is chaired by the Strategic Director of Resources.
- 4.11 The ICT Strategy Board will consider reports which are on the roadmap for submission through to the one Derby one council operations and strategy boards and on to Cabinet. The reporting line is therefore the same expect for the first board will now be the ICT Strategy Board.
- 4.12 It is proposed to amend the governance arrangements for ICT Transformation giving responsibility for this programme to the ICT Strategy Board, who will report to the one Derby one council Operations and Strategic Boards. In addition, any budget variation in excess of 10% for an individual project; or that cannot be contained within the overall ICT transformation programme will require further approval by the ODOC Strategic Board with variations below 10% on an individual project that can be contained within the overall programme to be approved by the ICT Strategy Board.

OTHER OPTIONS CONSIDERED

- 5.1 We could develop each project separately, however this would mean individual reports coming to each cycle of meetings. This would make it harder to manage the overall programme effectively.
- 5.2 We could retain a separate ICT Transformation Board, however that involves more people attending more meetings and by combining the Boards we can deliver both better and more efficient oversight of both the ICT Strategy and ICT Transformation.

This report has been approved by the following officers:

Legal officer	Not relevant
Financial officer	Carolyn Wright
Human Resources officer	Not relevant
Service Director(s)	Director of Transformation
Other(s)	

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Full list of ICT Transformation Projects Appendix 3 – Customer/Service Delivery Application Projects – April to October 2011 Appendix 4 – Revised Estimates for Overall ICT Transformation Programme

IMPLICATIONS

Financial

- 1.1 The report identifies and seeks approval for provisional budgets for the ICT Transformation; including the full costs of the CRM system; a breakdown of the network budget into discrete projects and revised estimates for a number of applications. The overall impact on the ICT Transformation budget remains unchanged and these budgets will be managed in accordance with the prevailing scheme of delegation.
- 1.2 The current estimates for the entire ICT Transformation Budget is shown as Appendix 4, and the total estimated cost is within the total budget available. Note many of these remain as outline estimates until we go to the market, but some of these have been revised based on better intelligence. Any costs variations that arise will need approval in line with the scheme of delegation.
- 1.3 In relation to the on-going revenue costs, the funding will need to be identified at the project brief stage for any additional costs that may arise, where a budget does not already exist in the central IT or service revenue budget.
- 1.4 The provisional budgets for each project at Appendix 4 will be reported through to Council Cabinet in April 2011 to seek approval to the re-profiling and allocations from the IT Transformation capital budget and inclusion in the capital programme.

Legal

- 2.1 The business applications and the ICT improvements will be sourced either through the existing contract with Serco or through approved procurement framework contracts.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Carbon commitment

- 6.1 The ICT improvements including in particular the server virtualisation project will all contribute to carbon reduction targets as more modern equipment uses less energy and server virtualisation reduces the number and footprint of physical servers required. We will endeavour to measure the server energy consumption before and after; but measuring other devices is more difficult (as they do not have discrete power facilities).

Value for money

- 7.1 In each procurement activity a value for money test will be undertaken by this through market competition or undertaking an independent value for money review of the proposals.

Corporate objectives and priorities for change

- 8.1 The programme as whole and each project contribute to the 'one Derby, one council' transformation objectives and will support increased productivity, more efficient workflow processing and cost reduction by eliminating duplication and identifying and cancelling unnecessary supply and support contracts.

Appendix 2 – ICT Stabilisation Projects – April to October 2011

The following table lists the ICT Stabilisation projects planned to take place between April and October 2011.

Approval is requested for projects 1c to 1e, 2 and 3 as these have not been previously approved.

Unique Ref:	Revised Programme/ Cost Category	Project	In Design Mandate (Y/N)	Status	Revised Budgetary Estimate	Derby City Council Project Sponsor
1a	1 - ICT Stabilisation	Network - Email renewal	n	Approved	£340,000	Glyn Peach – Head of ICT
1b	1 - ICT Stabilisation	Network - Citrix Replacement (Pilot and full)	n	In Progress	£214,554	Miles Peters – ICT Technical Architect
1c	1 - ICT Stabilisation	Network - Equipment used in Decant for reuse in Recant	n	Complete	£200,000	Miles Peters – ICT Technical Architect
1d	1 - ICT Stabilisation	Network - feturennet replacement	n	Detailed Estimate	£140,000	Miles Peters – ICT Technical Architect
2	1 - ICT Stabilisation	Servers	Y	Detailed Estimate	£554,000	Glyn Peach – Head of ICT
3	1 - ICT Stabilisation	Storage	Y	Detailed Estimate	£395,000	Glyn Peach – Head of ICT
SUB	1 - ICT Stabilisation	Sub Total ICT Stabilisation			£1,843,554	

Appendix 3 – Customer/Service Delivery Application Projects – April to October 2011

The following table lists the Customer/Service Delivery Application projects planned to take place between April and October 2011.

Approval is requested for the revised cost of the CRM implementation and for all other projects shown; if following procurement and/or detailed supplier proposals these costs differ by more than the agreed tolerance further approval will be requested.

Unique Ref:	Revised Programme/ Cost Category	Project	In Design Mandate (Y/N)	Status	Revised Budgetary Estimate	Derby City Council Project Sponsor and/or ICT Lead
4	2- Customer/ Service Delivery	CRM Hardware, Software, and Implementation	Y	Detailed Estimate	£950,000	Kath Gruber
5b	2- Customer/ Service Delivery	Derby Direct Telephony	Y	Approved	£65,000	Kath Gruber
5c	2- Customer/ Service Delivery	Derby Direct Telephony	Y	Approved	£65,000	Kath Gruber
6a	2- Customer/ Service Delivery	EDRMS software	Y	Outline Estimate	£534,500	To Be Confirmed
6b	2- Customer/ Service Delivery	EDRMS Scanners	Y	Outline Estimate	£100,000	To be Confirmed
7a	2- Customer/ Service Delivery	Oracle Development	Y	Outline Estimate	£500,000	Lynda Innocent/Finance Rep
7b	2- Customer/ Service Delivery	Oracle Support	Y	Outline Estimate	£250,000	Lynda Innocent/Finance Rep
8	2- Customer/ Service Delivery	HR Systems Development	Y	Outline Estimate	£300,000	Lynda Innocent/HR Rep
9	2- Customer/ Service Delivery	Asset Management System	Y	Outline Estimate	£200,000	To Be Confirmed

Unique Ref:	Revised Programme/ Cost Category	Project	In Design Mandate (Y/N)	Status	Revised Budgetary Estimate	Derby City Council Project Sponsor and/or ICT Lead
10	2- Customer/ Service Delivery	GIS	Y	Outline Estimate	£700,000	To be confirmed
SUB	2- Customer/ Service Delivery	Sub Total Customer Service/Delivery			£ 3,664,500	

Appendix 4 – Revised Estimates for Overall ICT Transformation Programme

The attached spreadsheet shows revised estimates for the overall ICT Transformation Programme and also for information lists the Tactical projects funded from the 2010/11 ICT development fund.

The spreadsheet shows the expenditure across the three Programmes as follows:

1)	ICT Stabilisation	£ 1,843,554
2)	Customer/Service Delivery applications	£ 6,623,887
3)	Recant and Work-style	£ 5,448,446
Total		£ 13,915,887

In addition eight tactical projects have been commissioned from within the current ICT development fund, each one contributes either to ICT stabilisation and/or to cost reduction. The total cost of these is £ 157,688 all funded within the existing ICT budget; the first 6 of these were included in a previous report to the 'one Derby, one council' Operational and Strategic Boards. The two new projects are for a warranty management service and for a revised disaster recovery strategy.

DCC ICT Transformation and Tactical Projects Capital Investment Matrix									
Unique Ref:	Revised Programme/ Cost Category	Project	In Design Mandate (Y/N)	Status	Assumptions	Original Budget (Design Mandate)	Revised Budgetary Estimate	Variance	Comments
1a	1 - ICT Stabilisation	Network - Email renewal	n		New email saervice configured as per revised email strategy not including full_email archiving	£0	£340,000	-£340,000	
1b	1 - ICT Stabilisation	Network - Citrix Replacement (Pilot and full)	n		Citrix (POC & Full Rollout) – full roll out subject to success of Pilot	£0	£214,554	-£214,554	
1c	1 - ICT Stabilisation	Network - Equipmernt used in Decant for reuse in Recant	n	7	Relates to equipment purchased to facilitatet Decant that has long life and will be re-sued upon Recant	£0	£200,000	-£200,000	
1d	1 - ICT Stabilisation	Network - feturenent replacement	n		Replace featurment telephony in selected sites	£0	£140,000	-£140,000	Note scope reduced to just sites we can cost justify over a 2 year period
1e	1 - ICT Stabilisation	Network - Mitel replacement	n		Replace Mitel telephony and contact centre wher ehtisis feasibel prior to recant	£0	£0	£0	No longer vable as a short term project
2	1 - ICT Stabilisation	Servers	Y	2	Server Virtualisation	£600,000	£554,000	£46,000	Solution clarified and recommendations document out for comments
3	1 - ICT Stabilisation	Storage	Y		Replacement Storage infrastructure (SAN)	£150,000	£395,000	-£245,000	Solution clarified and recommendations document out for comments
SUB	1 - ICT Stabilisation	Sub Total ICT Stabilisation			Note overspend is not an overspend but is an adjustemnt on the Netowrk budget remaning for Recant and Workstyle	£750,000	£1,843,554	-£1,093,554	
4	2- Customer/ Service Delivery	CRM Hardware, Software, and Implementation	Y	2	Note: Intial estimates excluded implementation costs	£692,670	£950,000	-£257,330	Initial costs excluded impleemntation - just for software and licences
5a	2- Customer/ Service Delivery	Derby Direct Telepony	Y		Implement new concact centre telephony core	£364,000	£264,000	£100,000	100k fundin from RIEP - led to underspend
5b	2- Customer/ Service Delivery	Derby Direct Telepony	Y		Workforce Management	£65,000	£65,000	£0	
5c	2- Customer/ Service Delivery	Derby Direct Telepony	Y		Open Speech voice recognition	£65,000	£65,000	£0	
6a	2- Customer/ Service Delivery	EDRMS software	Y	1	EDRMS software licences and Scanning equipment	£534,500	£534,500	£0	Note no provision for implementation
6b	2- Customer/ Service Delivery	EDRMS Scanners	Y		EDRMS Scanning equipment	£100,000	£100,000	£0	
7a	2- Customer/ Service Delivery	Oracle Development	Y	1	Additional Modules for Financial system	£500,000	£500,000	£0	Oracle
7b	2- Customer/ Service Delivery	Oracle Support	Y	1	20% of implementation costs in	£250,000	£250,000	£0	Oracle
8	2- Customer/ Service Delivery	HR Systems Development	Y	1	Vision Development	£300,000	£300,000	£0	
9	2- Customer/ Service Delivery	Asset Management System	Y	1	Package Solution	£200,000	£200,000	£0	
10	2- Customer/ Service Delivery	GIS	Y	2	Corporate GIS Solution	£1,200,000	£700,000	£500,000	Includes SQL2008 Platform
11	2- Customer/ Service Delivery	Identification Management	Y	1	Implementation of the secure staff remote access solution	£100,000	£100,000	£0	
12	2- Customer/ Service Delivery	Citizen Access	N	1	Secure Citizen access portal	£0	£0	£0	Not an original programme but will be needed to facilitate citizen secure slef servcie portals
13	2- Customer/ Service Delivery	Intranet	Y	1	Boost MOSS infrastructure and licences.	£100,000	£100,000	£0	May look at options other than using share-point - reviewing strategy
14a	2- Customer/ Service Delivery	MDM - single customer and property references	Y	1	Master Data Record (Single view of the truth)	£100,000	£100,000	£0	Master Data Management - assumed very low end solution chosen around some kind of customer hub etc. e.g. Multivue. NB
14b	2- Customer/ Service Delivery	MDM/EDRMS Integration f2b, b2b	Y	1	Intergation and Impleemntation Costs	£307,717	£307,717	£0	To develop interfaces supprtn single customer record and single property reference
15	2- Customer/ Service Delivery	Mobile	Y	1	Mobiel platform/mobile portals for staff/citizen access	£350,000	£350,000	£0	Not well deifned needs furtner investigation
16a	2- Customer/ Service Delivery	Business Intelligence	Y	1	Licence and development	£250,000	£250,000	£0	
16b	2- Customer/ Service Delivery	Information Management Support	Y	1	Implementation support of Business Intelligence	£145,000	£145,000	£0	
17a	2- Customer/ Service Delivery	Integration - CRM	Y	1	CRM Integration - Enabling self service interfaces/adaptors. Assume 5 @ £50K and 5@£100K	£750,000	£750,000	£0	Will commence once transaction volumes merit costs of deep integration
17b	2- Customer/ Service Delivery	Integration - epayments	Y	1	epayments	£100,000	£100,000	£0	
17c	2- Customer/ Service Delivery	Integration Middleware/Hub	Y	1	Integration Hub - additional	£50,000	£50,000	£0	
17d	2- Customer/ Service Delivery	Integration - middleware/tools	Y	1	Java based integration tool	£100,000	£100,000	£0	
Res	2- Customer/ Service Delivery	Reserve held for unbudgeted implementation costs	N		That we can reallocate budget to cover such costs provided overall costs remains within 13.915 million	£0	£342,670	-£342,670	Reallocation will have to be reported and approved as per the scheme of delegation
SUB	2- Customer/ Service Delivery	Sub Total Customer Service/Delivery			Note revised estimates suggest an Underspend but as some projects do not have budgets allocated for implementaiton this will be held as a reserve	£6,623,887	£6,623,887	£0	
18	3 - Recant and Work- Style	Network - Total expenditure less ICT Stabilisation Projects	Y	1	Excluding Schools - Sub Projects now being defined with cost neutral impact on overall budget	£2,942,000	£1,093,554	£1,848,446	Note budget has been reduced by ICT Network projects brought forward as part of stabilisation - all of these projects provide
19	3 - Recant and Work- Style	Desktop	Y	1	Strategic desktop solution	£3,600,000	£3,600,000	£0	
SUB	3 - Recant and Work- Style	Sub Total Recant and Work-Style			Note - need to be careful before approving any more netowrk projects - need to scope recant	£6,542,000	£4,693,554	£1,848,446	
Design Mandate Budget						£13,915,887	£13,160,995	£754,892	
26	4) ICT Tactical	Storage De-Stress	N	6	Existing SAN de-stress	£0	£17,648	-£17,648	Development Day Spend
	4) ICT Tactical	Citirix Pilot	N		Intial work on pilot Citrix	£0	£30,673	-£30,673	
27	4) ICT Tactical	Storage Strategy	N	3	Short and Long Term Storage Strategy	£0	£15,715	-£15,715	Development Day Spend
28	4) ICT Tactical	Child Domains	N	6	Removal of outdated Child Domains	£0	£15,465	-£15,465	Development Day Spend
29	4) ICT Tactical	Legacy Operating systems	N	6	Upgrades to legacy operating systems	£0	£22,584	-£22,584	Development Day Spend
30	4) ICT Tactical	Secure Access Analysis	N	6	Recommendations on secure remote access solution	£0	£5,103	-£5,103	Development Day Spend
33	4) ICT Tactical	Warranty Management Service	N	2	Support and Maintenance based on Warranty	£0	£40,000	-£40,000	Development Day Spend
34	4) ICT Tactical	DR Strategy	N	2	Analysis and recommendations on DR Strategy	£0	£10,500	-£10,500	Development Day Spend
Development Day Commitment						£157,688	£157,688	£0	
TOTAL Forecast (Including Dev Day Spend)						£14,073,575	£13,318,683	£754,892	