

HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Policy & Resources Select Committee
Date:	22 January 2018
Title:	Annual IT Update
Report From:	Director of Corporate Resources

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1. Recommendation

1.1. The purpose of this report is to provide an annual IT update to committee members. It considers the main IT activity over the past year and summaries the priorities ahead. It is recommended that this report is noted by the Committee.

2. Contextual information

2.1. As well as underpinning day-today business operations, IT activity has focussed on supporting the major transformational programmes of the County Council. In particular, the Digital programme, the Enabling Productivity programme, and numerous projects to support Transformation to 2019.

2.2. IT Services has a Tt2019 savings target of £3.5m and has a portfolio of projects to deliver these savings.

2.3. IT Services successfully supported the move by Hampshire Fire & Rescue Services (HFRS) to take back responsibility for their IT services, and we continue to support Havant & East Hampshire District Councils (H&EH) as they progress with taking back responsibility for their IT services in 2018.

2.4. Delivery of IT to schools in Hampshire is a significant source of external income. Whilst we continue see increased market competition, renewals in 2017 have seen us largely retain our market share.

2.5. IT and Data Security remains a key focus and IT has achieved recertification against appropriate national and international standards

3. IT Finances

3.1. The following table summaries the main cost elements which make up the IT internal cash limit budget:

	2016/17 actuals	2017/18 budget
	£000	£000
Total Employee Costs	£18,935	£17,280
Premises Related Expenditure	£207	£245
Transport Related Expenditure	£113	£176
Supplies and Services	£16,475	£17,944
Support Services	£44	£40
Total Expenditure	£35,775	£35,685
External Income	-£4,130	-£3,790
Dept Income	-£1,324	£0
Trading Unit Income	-£1,070	-£756
Schools Income	-£9,729	-£9,234
Non-Schools HPSN Income	-£917	-£984
Other	-£122	-£150
Total Income	-£17,292	-£14,914
Net Expenditure = Cash Limit	£18,482	£20,771

3.2. Some key points of note on the variance between 16/17 actuals and 17/18 budget are:

- 17/18 Employee and Supplies budgets reflect both T17 savings and additional budget for supporting new Digital IT platforms.
- 16/17 Employee actuals reflects increased contractor spend, funded by early T17 savings and underspend elsewhere.
- £3m has been added to the cash-limit for this year to remove the need to charge for corporately prioritised projects. This is also reflected in 17/18 Department Income budget.
- 17/18 External Income budget has reduced as the hosted services for HFRS has ended. The budget will reduce further next year with the ending of the EHDC and HBC hosted services.

4. IT Performance Metrics

4.1. Traditional IT metrics are less and less relevant in a modern business where IT performance is measured by business outcomes more than unit costs of IT, system response times and availability of services. The following nonetheless give an indication of the underlying IT performance and scale of activity:

4.2. There are approximately 365 permanent FTEs, and at the time of writing, 84 contractors and fixed-term contracts. The resource utilisation between BaU and projects is approximately 55% to 45%

4.3. Service Desk is closing nearly 2,300 calls each week, with an average wait time for a call to be answer of approximately 90 seconds. 1,500+ calls are solved at

first point of contact and there has been a significant increase in take up of self service with almost 40% incidents raised this way.

- 4.4. There has been a reduction of 7.2 FTE support staff which will contribute to IT's T19 saving target.
- 4.5. Overall IT customer satisfaction levels are monitored through a regular automated and randomised electronic survey on a quarterly basis. Satisfaction levels for corporate IT systems remains high with all services receiving a rating of over 3 on a scale of 0–5. Satisfaction levels for school services also remain above 3. Overall satisfaction for the past year was 3.82 against a target of 3.7.
- 4.6. The number of projects in which IT are engaged has increased with over 60 projects in delivery and over 100 in planning at the end of 2017. Over 100 additional projects have been stopped during planning, demonstrating that rigorous checks are in place.
- 4.7. In the year to date, 95% of projects delivered and rated by the customer have been rated as 'Good' or 'Excellent'.

5. Main IT activities over the last 12 months

IT initiatives from the last 12 months are too numerous to list in detail. However the following are listed by way of examples:

- Phase 1 of the Digital Programme was successfully delivered, introducing 26 new technology services. Phase 2 is currently in flight which will include the delivery of new automation capability through the use of software robots, a transition of HR Operations onto our corporate case management system, and further system enhancements for our contact centres.
- A new iPad and iPhone IT service was rolled out to Members following the local elections in May 2017
- A new programme called 'Enabling Productivity' has been initiated as a key enabler for Transformation to 2019. The programme includes refreshing the device estate, with a shift to greater number of mobile devices. An early set of 500 hybrid laptop devices were deployed to Children's Services in the autumn, with a plan to refresh the remainder of the estate over the next 12-15 months.
- Good progress has been made in the implementation of a new Electronic Document and Records Management System (EDRMS), replacing the aging HantsFile with the cloud based SharePoint Online. This project is due to complete in the summer of 2018 and will bring productivity benefits, enhanced collaboration, and support greater mobility.
- A significant cost-saving (£1.6m) has been negotiated with Virgin Media Business (VMB) for the provision HPSN (external connectivity) as part of IT's Transformation to 2019 savings.
- IT Services has been re-accredited against the following national and international standards:
 - Public Service Network (PSN)

- ISO2000 – International standard for IT Service Management
- ISO27001 - International standard for Information Security Management
- Payment Card Industry Data Security Standard (PCI DSS)
- 35 projects have been completed in 2017 including some significant infrastructure upgrades.
- Good progress has been made on our continuous improvement initiative called 'mosaic' and we will now start to embed this into day-to-day ways of working.
- The Hosted Schools Service (HSS) has reduced slightly. However, significant reshaping of cost model, restructure & training of account management team has shown recent improvement in success rate of winning & retaining business. Buy back for other school services e.g. SIMS & HPSN remains high at well over 90%

6. Main Activities Looking Forward

- 6.1. The priorities for the coming year remain focussed on supporting the Council and its partners to deliver the maximum efficiency and productivity through the best use of IT. Key priorities will include:
- Executing projects on the delivery plan in support of departmental Transformation to 2019 initiatives
 - Working towards the delivery of savings within IT to achieve Transformation to 2019
 - Completing phase 2 of the Digital Programme
 - Near completion of the Enabling Productivity Programme, including a complete device refresh
 - Completing the implementation of a new corporate wireless network service
 - Completing the implementation of SharePoint online as our new Electronic Document and Records Management System
 - Completing the migration to HPSN 2.1

7. Transformation to 2019

- 7.1. IT must continue to support the organisation with its Transformation to 2019 initiatives whilst delivering its own savings.
- 7.2. Savings in IT will be made across hardware, software, supply chain and people with an estimated reduction of up to 20% of staff.
- 7.3. Achieving the saving will require a mix of operating model changes, technology shift to remove human effort, and contract renegotiation.

7.4. Staff reductions will be managed where possible via vacancy management and voluntary processes. Timings in staff reductions are being planned to occur as late as possible in the process to minimise the impact on other initiatives.

7.5. The headline initiatives in IT are as follows:

Operating Model

- Channel Shift frontline IT support. Significantly more automation and self-service
- Improve asset management to increase re-utilisation
- Redesign of schools IT team
- Project portfolio capped at £3m of internal IT resource
- Redesign project inception structures
- Review standby/OOH arrangements
- Replace long-term contractors with Permanent staff
- Reduce headcount to meet any budget delta

Technology shift

- Procure new backup solution
- Reduce back-up retention from 90 to 30 days in line with industry standard
- Move email infrastructure into the cloud
- Review and rationalise disaster recovery arrangements
- Consolidate data centre server technology
- Transition the Data Centre to be remotely managed
- Decommission redundant technologies
- Implement a new Desktop delivery model

Supply Chain

- Renegotiate HPSN contract
- Conduct review and renegotiation of software contracts

8. Consultation and Equalities

8.1. As this is an update report, no consultation has been undertaken.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. **Equalities Impact Assessment:** Not Applicable – This is an update report.

2. **Impact on Crime and Disorder:** Not Applicable – This is an update report.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Not Applicable – This is an update report.