

IT STRATEGY REVIEW

Head of Service:	Jackie King, Interim Chief Executive
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – 2022-26 Revised ICT Roadmap Appendix 2 – IT Strategy Review Summary

Summary

This report provides details of the IT strategic plan and its accompanying programme of digital transformation, to improve end user experience for Residents/Members/Officers, simplify the infrastructure/applications and increase digital skills of all users. The strategy will provide Members/Officers with improved ways of working, that increases collaboration and reduces the requirement for physical servers located at Council premises. This report outlines the funding required to enable Committee to decide on whether it wishes to follow the strategic direction and progress the priority recommendations made in the strategy review.

Recommendation (s)

The Committee is asked to:

- (1) Agree the revised IT strategic direction and plan to invest in digital transformation as set out in the revised roadmap.**
- (2) Agree the indicative funding implications, as detailed in paragraph 5.1**

1 Reason for Recommendations

- 1.1 Strategy and Resources Committee agreed the ICT Programme of Works capital funding for 2022/23 on 29th March 2022. Subsequently, an IT Strategic review has been performed and recommendations made to improve end-user experience and Member/Officer digital skills; alongside continuing to reduce application and infrastructure complexity and moving services to the Cloud.
- 1.2 To fulfil the recommendations it will require an increased capital investment in IT for a period of 4 years; over time there will then be a shift from capital funding to revenue funding, as we consume more subscription-based services.

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- 1.3 There are several risks should the decision be to not increase investment in IT. These include loss of income from a system outage and an increased risk from a successful cyber-attack.

2 Background and Proposed Strategy

- 2.1 Historically, each year ICT have made a capital bid to enable the IT systems to be improved in line with the agreed strategic direction and to replace obsolete applications/hardware. As opportunities have arisen, key applications have been moved to the cloud.
- 2.2 The current revenue budget delivers a complex IT estate which has grown organically over many years, including:
- Support/maintenance on complex infrastructure
 - Support/maintenance on numerous applications
 - Cloud hosted websites/applications
 - Town Hall and Remote site connectivity
 - Telephony, including mobile phones
 - Business Continuity Datacentre at remote site
- 2.3 The agreed ICT roadmap and strategic direction supports the Four-Year Corporate Plan including moving to Cloud hosted energy efficient solutions. Examples of work undertaken includes the introduction of Microsoft 365, which has enabled the Council to operate more efficiently.
- 2.4 The ICT roadmap has been amended to reflect the desires identified by stakeholders in the IT strategy review.
- 2.5 The IT Strategy Review has highlighted that action is required to improve the end user experience. A key piece of work to deliver this is the CRM Replacement Project, with the objective of moving more Council services and transactions online. The current CRM system is out of support and contains several workarounds resulting in the system being inefficient for both officers and residents.
- 2.6 The current Replacement of CRM and Datawarehouse project capital funding is sufficient to move all existing CRM services onto the My Council Services Platform and reduce application complexity. Once completed, residents will use a customer portal to raise and track all their transactions online, which will improve the end-user experience.

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- 2.7 To date, capital funding has been agreed to upgrade the website in 2022/23, as it becomes obsolete in November 2023. A recommendation from the IT Strategy Review is to utilise shared services in certain scenarios and an example of this is to use the Local Gov Drupal code base to deliver the new website and contain costs. A Digital Content Editor is required to ensure only high-quality relevant content is published on the website. Successful delivery of this project will improve the end-user experience. This position would be filled by contractor resource until the completion of the project, which is envisaged to be a maximum of 6 months.
- 2.8 Delivery of the priority IT Strategy Review recommendations within 4 years will require an increased investment in IT. Over time, there will be a shift from capital expenditure to revenue expenditure before costs can ultimately be reduced once the IT estate is simplified.
- 2.9 To deliver the recommended priorities, it is expected that the following proposed changes to planned capital and revenue budgets will be required:

Table 1 - Capital Budgets (£)	Current IT Capital Budgets		Proposed Changes	Total Indicative Capital Budgets
	IT Programme of Works	CRM Replacement		
2022/23	300,000	165,000	0	465,000
2023/24	250,000	100,000	+75,000	425,000
2024/25	250,000	100,000	+40,000	390,000
2025/26	250,000	0	+25,000	275,000
2026/27	250,000	0	-150,000	100,000
Total Capital Budget Changes			-10,000	

Table 2 - Revenue Budgets (£)	Current IT Revenue Budgets		Proposed Changes			Total Indicative Revenue Budgets
	Staff	Other - software & hardware	Staff	Other - software & hardware	Sub-Total Changes	
2022/23	710,000	804,000	0	0	0	1,514,000
2023/24	710,000	804,000	+30,000	+35,000	+65,000	1,579,000
2024/25	710,000	804,000	-10,000	+144,000	+134,000	1,648,000
2025/26	710,000	804,000	-10,000	+304,000	+294,000	1,808,000
2026/27	710,000	804,000	-130,000	+304,000	+174,000	1,688,000
Total Revenue Budget Changes					+667,000	

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- 2.10 All figures are at today's prices, and future budgets will be subject to re-approval each year through the Council's budget setting process.
- 2.11 The tables show that over the five year period, the proposed budget changes will result in a £10,000 reduction in capital expenditure, but require additional revenue resources of £667,000. However, by 2026/27, annual recurring costs are expected to be just £24,000 higher than current budgets, as the £174,000 increase in annual revenue expenditure is substantially offset by the expected £150,000 reduction in annual capital expenditure. Potential funding for these net additional costs is set-out in section 5.
- 2.12 The proposed budget changes would be used to deliver the following summarise priorities:
- New Website - End User Experience
 - Member Device Refresh - End User Experience
 - Increase Member/Officer Digital Skills – Cyber / End User Experience
 - Move Infrastructure to Cloud and simplify - Cyber / Climate Change
 - Move Applications to Cloud and simplify - Cyber/End User/Climate Change
 - Officer Device Refresh - End User Experience
 - Data Fabric – End User Experience
- 2.13 Once this work is completed, annual capital expenditure will reduce as high priority infrastructure and applications will be cloud hosted, so paid from revenue budgets. The simplification is expected to reduce the required ICT headcount by 25% by 2026/27.
- 2.14 A recurring theme on the ICT roadmap is to improve the cyber security posture. Recent examples of expenditure include installing an additional cloud hosted backup solution and the introduction of a third-party Security Operations Centre (SOC) to protect systems. These measures protect the systems from a cyber-attack and should one be successful, there would be a reduction in the system unavailability time. The IT Strategy Review has recommended that EEBC should continue with its programme of continuous cyber improvements.
- 2.15 The IT Strategy Review has recommended that training is provided to increase the digital skills of Members and Officers. The ICT Team does not have the capacity or skills to undertake this, so a part-time IT trainer at a cost of £20,000 per year would be required to deliver basic, bespoke IT training, cyber security training and SharePoint training. However, there are free cyber security training modules available online, and it is proposed that these are utilised alongside hiring an external trainer.

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2.16 The current strategic direction and ICT roadmap includes work to move key infrastructure and applications into the Cloud. This work will continue and will include telephony, Citrix infrastructure and high priority applications such as those used in Revenues & Benefits, Planning, Environmental Health and Licensing. Moving to the Cloud supports the Climate Change Action Plan with solutions running from carbon neutral large-scale Datacentres.

2.17 The proposed strategic direction is:

2.17.1 Enable and support residents to perform secure digital transactions using high speed connectivity through modern systems that are intuitive and easy to use, from any device.

2.17.2 Enable Officers and Members to perform digital work efficiently from a variety of locations.

2.17.3 Ensure Members and Staff are sufficiently well trained to effectively use the IT services.

2.17.4 Reduce risk through using proven resilient technologies with no unacceptable vulnerabilities. Continuously improve the cyber position.

2.17.5 Where appropriate, move infrastructure to the Cloud, utilising carbon neutral datacentres.

2.17.6 Where appropriate, move high priority applications to the Cloud, utilising carbon neutral solutions.

2.17.7 Use established providers with a proven track record of delivering services. Where appropriate use Government and Local Authority shared initiatives, to reduce cost and deliver excellent services for residents, Members and staff.

2.17.8 Simplify the IT estate through moving legacy applications into strategic applications and reduce unnecessary infrastructure complexity.

2.17.9 Where possible, solutions will be implemented and supported by the in-house ICT Team.

3 Practical implementation

3.1 A four-year ICT Roadmap, as proposed, has been created in line with the IT Strategy Review. This contains the priority recommendations agreed by the individual stakeholder groups. To minimise the cost increase not all recommendations are being progressed.

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- 3.2 The proposed overall reduction in size of the ICT Department will occur through natural turnover. In the last 12 months half of the ICT Team have resigned or retired and it is envisaged natural staff turnover will continue in future years and at an appropriate rate, vacant roles will not be replaced.
- 3.3 The reduction of on-premises infrastructure, a full move to MS Teams and supplying officers with a laptop would ease any future move to another office. This would also make increased working from home seamless.
- 3.4 All work items being performed will be supported by a business case, which will include assessment on the suitability of using a shared service, to be agreed by Strategic Management Team and procured using the agreed contract standing orders.
- 3.5 Progress against the work items will be regularly tracked through the Project Management Board and will be incorporated into the Service Delivery Plan.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

Procurement of IT works will follow the Council's Contract Standing Orders.

4.2 Crime & Disorder

None for the purposes of this report

4.3 Safeguarding

None for the purposes of this report

4.4 Dependencies

None for the purposes of this report

4.5 Other

None for the purposes of this report

5 Financial Implications

- 5.1 The proposed capital and revenue budget implications are detailed in Tables 1 and 2.
- 5.2 The tables show that for the period 2022/23 to 2026/27:

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5.2.1 Capital investment totalling £1,655,000 is expected to be required to fund the proposed ICT capital programme;

5.2.2 Increased revenue costs of £667,000 are expected over the five year period.

Funding of Capital Expenditure

5.3 IT capital budgets are currently funded by an annual contribution from the revenue budget, which is £400,000 in 2022/23 (plus £215,000 carried forward from previous years) and expected to increase to £700,000 by 2025/26.

5.4 The capital programme from 2022/23 to 2026/27 can be fully funded from these budgeted revenue contributions.

Funding of Revenue Expenditure

5.5 Delivery of the IT Strategy is expected to increase revenue expenditure by a total of £493,000 until 2025/26. To fund these revenue costs, the council will need to factor a contingency for IT transformation into its medium-term financial plans.

5.6 From 2026/27, the underlying increase in revenue costs is expected to be £174,000 per annum. Delivery of the IT Strategy should enable the council to fund these increased revenue costs through reducing, by an equivalent sum, the budgeted revenue contributions to capital projects.

5.7 While re-purposing a portion of the Council's budgeted revenue contribution to capital would reduce funds available to invest in other capital projects from 2026/27, this would be mitigated as the requirement for IT capital expenditure is expected to reduce from 2026/27.

5.8 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report.

6 Legal Implications

6.1 None for the purposes of this report

6.2 **Legal Officer's comments:** None for the purposes of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

Effective Council - Improve access to services through technology

Smart and Connected - Increase digital connectivity for all

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7.2 **Service Plans:** The ICT roadmap is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:**

Climate Change Action Plan Theme 6 - Use of technology & information systems. Will be able to utilise electronic systems and change the working practices further.

7.4 **Sustainability Policy & Community Safety Implications:**

None for the purposes of this report

7.5 **Partnerships:**

None for the purposes of this report

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

None for the purposes of this report

Other papers:

None for the purposes of this report