Leicester
City Council

Cabinet   **17th June 2002**

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BEST VALUE REVIEW - YEAR THREE
ICT & E-GOVERNMENT
FUNDAMENTAL CHALLENGE, FINAL SCOPE, TERMS OF REFERENCE
AND ROUTING FOR THE REVIEW

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Report of the Head of ICT & Customer Access

1   BACKGROUND AND PURPOSE OF REPORT

1.1   Purpose of the report

To seek approval to the outcome of the fundamental challenge stage of the review process, the final scope and terms of reference for the review and the recommended routing of the ICT and E-Government best value review.

1.2   Background

Cabinet approved the scope for the review of ICT and E-Government on the 11th March 2002. This report provides an executive summary of the work undertaken since then to complete the second stage of the Best Value Review process, details of which can be found in the attached Interim Report.

The purpose of the Interim Report is to:

- State the strategic case for the provision of ICT support and for the progression of the Council's e-government programme;

- Detail the ICT support services that are provided by Leicester City Council;

- Detail the e-government projects, and organisational arrangements in place to progress the e-government programme;

- Provide an initial assessment of how the services are performing, and how work on our e-government targets are progressing;

    o In comparison with other Local Authorities;
    o In meeting the expectation of users (internal and external);
    o In achieving stated objectives.

- Consider the future ICT service needs within the Authority;

- Consider the future demands of the e-government programme;

- Provide a framework for identifying a clear direction for the future.

2. RECOMMENDATIONS

Cabinet is recommended to:

(i)   Agree the outcome of the fundamental challenge stage as detailed in sections 3 and 3.1. In summary these are that:
- ICT is a core discretionary service;
- That decommissioning is not an option as ICT is so integral to Council business, although alternative forms of service delivery could be considered;
- The function is likely to grow over the coming years due to e-government; greater emphasis business continuity; and the Freedom of Information Act (which is the responsibility of the Corporate ICT function).

(ii)   Support the proposal that the Best Value review is managed in two parts: the first part being to address the questions
- Is the Council investing effectively in ICT?
- Does the Council's ICT support service represent good value?

This work will be completed by the end of August 2002.

The second part of the review will look at the following questions:
- Will our e-government strategy ensure the organisation meets the e-government objectives of: building services around citizen choice; making government and its services more accessible; social inclusion and better access; and using information better?
- Do we have the ICT capacity and capability to meet the Council's strategic agenda including Revitalising Neighbourhoods and e-government?

It is proposed that this part of the review should be deferred until early 2003 pending a review of the Council's e-government and ICT strategies.

(iii) Agree that the work programme detailed in appendix A2 will address the issues raised by the first phase of the review.

(iv)   Agree that the review should be subject to a full service assessment (section 3.3).

3. REPORT

The Interim Report presents information about the ICT services under review and also considers the status of the Council's preparation for e-government.

The report demonstrates that performance management is well established within the ICT support sections of the Council. Leicester has been actively engaged in national benchmarking activities for many years, we have

commissioned a number of independent reviews of our performance, and business planning and performance monitoring is part of the culture.

ICT is recognised as one of the Council's key strategic resources alongside Finance, Property and Human Resources. The Council has had an ICT strategy in place since 1994 that has had the full support of members and staff.

The report contains details about our e-government projects to demonstrate the progress we're making towards our e-government targets. The research concludes that we are making good progress in many areas. However, a survey carried out as part of the interim review identified limited awareness of the e-government agenda amongst senior managers. The impact of this is that pockets of the organisation still need to challenge traditional ways of working, in particular how their services engage with their service users and with partner agencies.

Independent benchmarking analysis, user satisfaction survey findings and the Audit Commission's 'Council's and E-Government' report are considered within the Interim Report; each providing valuable input into the scoping document for the next stage of this review.

Compare - Benchmarking analysis

The Council participated in a national benchmarking exercise last year, the findings of which were published in June (summarised in section 6 of the Interim Report). The exercise identifies areas for investigation, most notably the cost of PC support, but, like previous exercises, the findings present contradictory information which make it difficult to conclude that we're comparing like with like.

Performance of the ICT function since 1997 is included in Appendix E of the report.

Consult - User satisfaction surveys

The most recent user satisfaction survey (December '01 – section 8 in the Interim Report) highlights the following priorities (in order) for our users:

- Greater user involvement in the planning of new systems and developments;
- Clear resource plans for new systems;
- Proper training;
- ICT support services that are responsive to changing user needs;
- ICT staff that process requests for change promptly;
- Effective monitoring of the ICT unit's performance;
- ICT support staff that respond quickly to remedy user problems;
- ICT staff that are able to diagnose problems accurately.

Our users also identified the following weaknesses in current provision:

- A perceived 'remoteness' of the ICT support service and a concern that ICT support don't understand their needs;
- A lack of investment in systems and technology;
- A need to revisit the opening hours of the central ICT support help desk.

National research about the preparedness of Councils for e-government recommends that Councils consider the following issues:

- Do e-government projects seriously question traditional methods of delivering services?
- Do staff understand the need for change?
- Are senior officers committed and fully engaged?
- Are benefits to local people, or national targets, driving the local agenda?
- Will local people see significant benefits?
- The priority should be improved Customer Access projects e.g. contact centres and one-stop-shops, e-government is NOT just the Internet.
- How is the e-government vision to be funded?
- Do we have the capacity and skills to manage the change process?

The issues summarised above are in addition to the issues that emerged from stakeholder feedback to the proposed ICT and e-government scoping document during December and January. For completeness these issues are repeated below:

- Do we need to review the way ICT projects are funded?
- Is the current practice of departmental funding constraining more imaginative and challenging corporate projects?
- Is the application of ICT standards, policies and procedures appropriately rigorous?
- Are all managers aware of the e-government agenda?
- The need to clarify roles and responsibilities, both between the 'centre' and departments, and between the ICT professionals and service managers.
- Does the organisation have the ICT capacity and capability to deliver its strategic agenda?

These findings were used to refine the proposed scoping document for the next phase of the review.

3.1 Fundamental Challenge

Statutory and non-statutory services.

The services under review are:

- The whole of ICT Services, Town Clerks;
- Departmental ICT support sections where they exist;
- The Education Information Systems Support Team.

These are all non-statutory services. However, ICT is one of the Council's core strategic resources alongside Finance, Property and People and at the heart of the Council's strategic agenda, in particular the Council's Revitalising Neighbourhoods programme.

Is decommissioning an option?

The ICT service can be broken down into the following functional areas:

- Voice and data services;
- End user support;
- Application development and support;
- Server management – security, performance tuning, business continuity, housekeeping, user administration;
- Help desk;
- Strategy planning and project management;
- ICT training;
- Machine room operations and production control (batch processing, printing, backups etc);
- Information management – data protection, freedom of information etc.

The individual services are so interdependent that it would not be possible to decommission any of them and continue to deliver the ICT support service that the organisation depends on, but there may be more effective ways of delivering the service than those in place at present.

The interim report gives some initial consideration to alternative forms of service delivery. The next stage of the review includes establishing a task group to consider whether 'The ICT support service represents good value'. The group will consider the following issues:

- Comparison with other Local Authorities suggests our unit costs are higher than average. Are we comparing like with like? If so, why are our unit costs higher? How can they be reduced?
- Some existing departments are supported entirely by ICT services; others have their own local, first line technical support arrangements. Which model is most effective?

(See Appendix A2 for further detail).

This work will challenge the current method of service delivery.

Level of service

The following table identifies whether the services covered by the review are statutory, as defined by legislation, or discretionary. To identify services which may possibly be considered of lower importance to the Council's main objectives, discretionary services have been sub-divided into core i.e. central to one or more of the Council's key strategies or other discretionary i.e. a peripheral service.

Service	Type of service			Level of Service			
	Statutory	Core Discretionary	Other Discretionary	No Change	Increase	Reduce	Consider Decommission
Voice and data services		X		X			
End user support		X		X			
Application development and support		X			(1)		
Server management – security, performance tuning, business continuity etc		X			(2)		
Help desk		X		X			
Strategy planning and project management		X			(3)		
ICT training		X			(4)		
Machine room operations and production control (batch processing, printing, backups etc)		X		X			
Information management – data protection, freedom of information etc.		X			(5)		

Five services are marked as potential growth areas for the following reasons:

1. The impact of e-government.
2. The more an organisation relies on ICT the greater the need to invest in business continuity.
3. Additional resources to drive forward the e-government agenda.
4. Initial comparitive analysis identifies that we don't invest sufficiently in ICT training. Staff consultation confirms this view.
5. The Data Protection Act 1998 has put the existing team under considerable pressure. The Freedom of Information Act is demanding even more resources.

The next phase of the review will consider these issues further. Recommendations for change will be included in the improvement plan.

3.2   Final Scope and terms of reference

Services to be reviewed

Whilst the ICT Best Value review includes EDISS within its scope, the function is not comparable with the other ICT support functions therefore internal comparative analysis would be of limited value. Similarly, we are not aware of any national benchmarking data that could be used to determine whether the function represents good value. It is proposed that consultants should be appointed to carry out a Best Value review of EDISS as per the brief in Appendix G of the interim report.

Terms of reference

The original scoping exercise recommended that the principle question of the review should be 'Is ICT supporting the Council's strategic agenda', and that the review should focus on the following five areas:

- How effective is the Council in making the most of ICT as a corporate, strategic resource?
- Does the Council's ICT support service represent good value?
- Does the Council make the best use of its investment in ICT? Does our investment in staff training match our investment in ICT?
- Will our e-government strategy ensure the organisation meets the e-government objectives of: building services around citizen choice; making government and its services more accessible; social inclusion and better access; and using information better?
- Do we have the ICT capacity and capability to deliver the outcomes of Revitalising Neighbourhoods and to meet the needs of the organisation up to and beyond 2005?

After consideration it is recommended that the principle question remains unchanged, but that five areas should be reduced to four (to avoid potential overlap), these being:

- Is the Council investing effectively in ICT?
- Does the ICT support service represent good value?
    - Will our e-government strategy ensure the organisation meets the e-government objectives of: building services around citizen choice; making government and its services more accessible; social inclusion and better access; and using information better?
    - Do we have the ICT capacity and capability to meet the Council's strategic agenda including Revitalising Neighbourhoods and e-government?

Furthermore, it is proposed that the Best Value review should be managed in two parts; the first part to address the questions:

- Is the Council investing effectively in ICT?
- Does the ICT support service represent good value?

And the be completed to the existing Year 3 Best Value timescales (end of August)

The second part to address the questions:

- Will our e-government strategy ensure the organisation meets the e-government objectives of: building services around citizen choice; making government and its services more accessible; social inclusion and better access; and using information better?
- Do we have the ICT capacity and capability to meet the Council's strategic agenda including Revitalising Neighbourhoods and e-government?

And start early 2003.

The delay is to allow for the development, and initial implementation, of an e-government route map (targeted completion August 2002) and to update the Council's ICT strategy (targeted completion October 2002) against which our performance can be measured.

3.3   Routing of the review

The interim report demonstrates that performance management is well established within the Council's primary ICT support function and that a performance management framework exists within the departmental teams under review.

However, the scope of this review goes beyond any single support unit: it challenges the relationship between existing support service units both in terms of the optimal balance between central and devolved support and the relative costs of each model. This analysis has not been carried out in the past and the information to determine whether the best model has been adopted doesn't yet exist.

This Best Value review is also looking at the Council's management of ICT from two further dimensions:

- How good the Council is at managing ICT as a strategic resource; and
- The Council's response to, and preparedness for, e-government.

For each of these, limited baseline information exists against which we can compare our current performance.

Therefore, the proposed way forward is to focus on the areas detailed in section A1 of the scope (attached), which is based on feedback from stakeholders and information already gathered as part of the interim analysis.

Section A2 of the scoping document describes the proposed work programme for the first stage of the Best Value review, including how we will collate the baseline data against which we can compare performance and thereby develop an appropriate improvement plan.

In summary, we will pursue the Service Assessment route as detailed in the work programme included in the scoping document.

4   FINANCIAL AND LEGAL IMPLICATIONS

The following table illustrates a best estimate of the build up of cost for each service delivered within the scope.

Service	Type of service			Service Budget
	Statutory Minimum Cost £k	Core Discretionary Cost £k	Other Discretionary Cost £k	
ICT Services, Town Clerks - trading		£5,313,400		£5,313,400
ICT Services, Town Clerks – non trading		£740,300		£740,300
Arts and Leisure – ICT Support		£204,200		£204,200
E&D – ICT Support		£243,300		£243,300
Housing – ICT Support		£319,400		£319,400
Education – ICT Support		£201,007		£201,007
EDISS		£67,900		£67,900*
Total Review Budget		£7,089,507		£7,089,507

The review will take into account the objectives set by the Chief Financial Officer in respect of 2% efficiency savings. This saving represents £142,000 based upon the service budget identified, excluding the EDISS trading figures.

In practice, current and projected growth in ICT use suggests that spend may have to increase in real terms to resource the improvement plan and in certain areas, such as business continuity, failure to invest could carry considerable risk to the organisation. These issues will be explored in detail.

5   EQUALITIES IMPLICATIONS

The review will consider these questions:

1.   Will our E-Government plans help disadvantaged groups obtain greater access to council services?
2.   Is the Council making the most use of ICT to meet the needs of disadvantaged staff within the Council?

6   SUSTAINABLE AND ENVIRONMENTAL IMPLICATIONS

The review will consider whether ICT is contributing effectively to the corporate EMAS priorities. Specifically it will consider whether the Council's application of ICT is moving the Council towards the so-called 'paperless' office.

REPORT AUTHOR

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