Deloitte.

Leicester City Council

ICT Services Review As Is Assessment

Report for Directors

September 06

Status: Final

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1 EXECUTIVE SUMMARY

1.1 Introduction

Leicester City Council ("the Council") is undertaking a Business Improvement Programme covering all departments and support services. The ICT Review is an element of a broader Support Services Review, this broader review has objectives to achieve business improvement, enhance a focus on the customer, and to deliver £2million cashable efficiency savings. This report represents a key stage in the ICT review, and consists of a detailed examination of the structure and performance of current ICT provision.

This report covers both centralised and decentralised ICT functions within the Council, but excludes schools curriculum ICT. The present ICT structure is a complex mix of centralised and devolved services. Central ICT services are provided by the Resources, Access & Diversity (RAD) department. The Social Care & Health (SC&H) and Education & Lifelong Learning (ELL) departments obtain the majority of their ICT services through Central ICT. Regeneration & Culture (R&C) and Housing (HSG) have their own virtually autonomous IT sections.

1.2 Summary of Conclusions

Whilst this stage of the ICT review focuses on observations on the current position, the following conclusions are clear.

The current ICT structure is not optimal for the Council. There is a strong case for change. The current model does not perform particularly well under a variety of assessments including cost and user satisfaction. This view is held by Deloitte, supported by conclusions reached by the Audit Commission and the SOCITM benchmarking report and the considerable majority of users we have interviewed as part of this project.

Initial cost benchmarking of ICT indicates that the total cost of ICT provision (i.e. central ICT plus departmental managed ICT) is in excess of the average for similar local authorities. This is based on the full cost of ICT provision across the organisation, of which central ICT is just one component. Whilst the results of cost benchmarking exercises can be inaccurate, our analysis of the current structure of ICT suggests **there is a high probability of the Council being able to deliver cost savings by reforming ICT provision. Calculation of these should however be a bottom up exercise, reviewing individual components of the expenditure for potential cost savings.**

We also recognise a number of strengths including staff knowledge and commitment, as well as the reliability of the architecture.

1.3 Summary of Key Findings

1.3.1 Performance against ICT standards

A detailed benchmarking exercise has been performed (section 3.3) comparing Council ICT performance with National ICT Standards. Provision was rated as non-compliant - the lowest rating - and below the minimum standard required in the following areas:

- Service delivery;
- ICT strategy;
- Engagement;
- Configuration, development and integration;
- Strategic sourcing and supplier management (rated between non-compliant and minimum);

The remainder of the thirteen assessment areas were split roughly equally between assessments of 'minimum' and 'progressive', but no areas were rated as excellent.

Questionnaires completed by users also highlighted significant issues around user expectations and business requirements not being met, cost inefficiencies and inconsistent delivery. On average users were receptive to the concept of increased centralisation and neutral to the use of increased outsourcing, although there were exceptions, with a handful of users expressing a preference for decentralisation or outsourcing.

1.3.2 Performance against user satisfaction

Extensive work has been performed by both the Audit Commission (Baseline IT Risk Assessment 2005) and Wolverhampton Business School/Society of IT Management (SOCITM Insight Benchmarking User Satisfaction Analysis). They concluded:

- Overall delivery performance is not strong, with overall user satisfaction levels being in the lowest quartile when compared to the English Unitary Council peer group. The results are not homogenous, with users of Central ICT being significantly more satisfied than either those of Housing or R&C ICT functions.
- ICT service delivery is suffering from fragmentation.
- ICT provision and management needs to be consolidated and unified.
- Consistent standards need to be implemented.
- There needs to be an increased focus on delivering customised, customer focused services.

These conclusions were backed up by user surveys and interviews carried out as part of this exercise. We also noted that there is tension and mistrust between central and departmental ICT departments.

1.3.3 Performance against cost benchmarks

The authority's ICT provision appears to perform poorly against the cost benchmarks we have calculated. Although the potential for inaccuracies in the data have to be considered, ICT spend as a proportion of revenue budget is 15% higher than the English Unitary average. This translates to a revenue expenditure of £1.4M which the Council spends over and above its peer group. This in its self should not be considered an issue if ICT expenditure was delivering significant added value.

1.3.4 Structure

In our view the current ICT structure across the organisation does not represent best practice for Unitary Authorities. Whilst we observe directorate based ICT staff in many local authorities, the presence of multiple disparate ICT service delivery organisations is a particular concern due to the potential duplication of management and support functions. In addition, we were unable to find evidence that the strategic direction of the organisations was sufficiently co-ordinated. It is likely that ICT organisational structure is having a significant bearing on the unsatisfactory performance and cost metrics discussed above.

This conclusion was backed up by user feedback which highlighted duplication and confusion between the different ICT structures. Users also highlighted mistrust between the ICT operations and a lack of clarify over the cost charging model in use.

Alternative structure models will be developed and tested with the authority during the next phase of the project.

1.3.5 Strategy

The Council has an ICT Strategy which has been formed in the broader context of the overall Corporate Strategy, and provides a strategic framework for ICT across the Council. It seeks to identify departmental ICT priorities and objectives, and then specifies a high level ICT corporate plan.

However, there are several incomplete Technical and Information Management strategies (attributed to vacant staff positions), as well as several incomplete Departmental ICT strategies (attributed either to departmental resistance or incomplete corporate strategy).

Whilst the Council has made considerable inroads into strategy development, the current framework is not sufficient as it critically does not consolidate ICT future direction across the organisation, and hence cannot effectively address the cost and performance issues noted.

1.3.6 Resources and skills

The authority clearly has access to a considerable base of ICT resources, and training and staff development has been highlighted by ICT staff as an area of strength. However, the extensive use of agency staff and contractors alongside the unaligned recruitment and training plans for the different ICT organisations suggest that resource and skills management could be improved. This again is linked to the discontinuities between the existing ICT functions within the organisation.

1.3.7 Systems

The use of a large number of applications from different providers is a feature of UK local government ICT, and we do not criticise the authority in this regard. However, whilst large scale consolidation of business applications is unrealistic many authorities have managed to generate savings and service improvements by utilising common platforms, for example desktops, wherever possible. This is illustrated by the number of operating systems (Microsoft 95, 98, ME, 2000, XP), hardware platforms (Microsoft Windows, Novell Netware, IBM OS/400, Sun Solaris) and server types (PC servers from different manufacturers) in use. The authority needs to consider consolidating its ICT estate across the directorates to help control costs.

1.3.8 Policies and procedures

This review has not included a detailed audit of policies and procedures, but we have noted the following important deficiencies compared to best practice:

- The ICT function does not appear to effectively manage its relationships with key stakeholders in order to deliver service improvements;
- We observed little evidence of an effective 'account management' function to manage the relationship between central ICT and the directorates.
- The ICT function does not always effectively and consistently manage relationships between the Council and its suppliers leading to a risk of increased supplier and support costs.
- Given the partly distributed nature of ICT within the Council, ICT policies and procedures are not always consistent across the business or are not consistently applied.
- There is duplication and confusion as to role of central/departmental helpdesk and procurement;
- There is a lack of transparency of the total cost of ICT in the Council due to devolved budgets and recharging system.

1.3.9 Contents of the document

Section 2 Background explains the ICT review process in more detail and lists the primary Council staff members involved in this exercise;

Section 3 ICT Performance Assessment reviews the operation and performance of ICT through a number of different assessments. Firstly departmental structure is reviewed (section 3.1). A detailed benchmarking exercise has also been performed (section 3.3) comparing Council ICT performance with National ICT Standards.
Section 3.4 examines staff opinions of service delivery with the following key conclusions.
and Section 3.5 reviews more general perceptions of ICT performance held by Council staff
Section 3.6 re-examines two other prior reviews of ICT performance, the Audit Commission Baseline IT Risk Assessment 2005 and the Wolverhampton Business School (WBS)/Society of IT Management (SOCITM) Insight Benchmarking User Satisfaction Analysis.
Section 3.7 concludes the performance analysis with a 'SWOT' (Strengths, Weaknesses, Opportunities and Threats) assessment of the ICT function, and highlights that the department has many strengths, including staff knowledge and commitment and the current reliability of the architecture.

Section 4 Financial Assessment looks at the current cost of providing ICT and benchmarks this against Local Government averages to assess value for money.

Section 5 ICT Systems Assessment looks at the current architecture of the Council to determine what issues or implications might arise for the ICT review. This analysis includes consideration of the impact of software, hardware and projects going forward.

2 BACKGROUND

2.1 Need for an ICT Review

Leicester City Council ("the Council") is undertaking a Business Improvement Programme covering all departments and support services. The ICT Review is an element of the broader Support Services Review, this broader review has objectives to achieve business improvement, enhance a focus on the customer, and to deliver £2million cashable efficiency savings.

Deloitte was selected to support this review due to a requirement for the review to be performed by an impartial third party able to provide an objective assessment and recommendations.

2.2 Project Objectives

The key objective of this project is to develop a clear ICT organisational model which will allow the Council to deliver higher quality services at a reduced cost. The development of the model is expected to be driven by Public Sector and Industry Best Practice, as well as objective cost reduction, as opposed to building on existing organisational assumptions. The key deliverables from this project will be:

1. An **As Is Assessment**. A report providing an assessment of the current ICT structure and performance - this Report;
2. An **Options Appraisal**. A report analysing possible ICT organisational model options and providing a recommendation on preferred option for the Business Case.
3. A **Business Case**. A report developing the preferred option with the associated benefits, estimated costs and risk analysis.

2.3 As Is Assessment Approach

In order to document the performance of organisational ICT within the Council, a number of investigative activities were carried out including a series of interviews with Council staff and management. The interviews formed the basis of benchmarking performance of the Council's overall ICT function against national ICT standards and also provided an insight into current views held by staff. As well as collating staff feedback, we have also taken into account our view of local authority ICT common practice.

A basic system and infrastructure audit has recently been completed by the Audit Commission (Baseline IT Risk Assessment 2005-6) which has negated the need to repeat a systems and application inventory.

A review of Total Cost of Ownership (TCO) of ICT at the council was also performed, allowing for cost benchmarking in comparison to other local authorities. These activities were carried out in the context of existing reviews carried out by the Audit Commission, SOCITM Insight Surveys and Council operational documents (Appendix 1).

The following key ICT stakeholders were chosen to provide a representative sample of the departments and profiles within the organisation and were interviewed between the 5th and 15th of December 05.

Table 1: ICT Stakeholder interview list

Department	Interviewee	Title
RAD	Tom Stephenson	Corporate Director
	Jill Craig	Corporate ICT and Customer Access Director
	Mark Noble	Financial Services Director
	Charles Poole	Democratic Services Director
	Ian McBride	HR & Qualities Director
	Peter Nicholls	Legal Services Director
	Ron Peters	Development Services Manager
	Ismail Vania	Strategy & Programs Manager
	John Doyle	Security Manager
	Peter Kay	Infrastructure TS Manager
	Andy Sharpe	Operations Manager
	Sue Ferguson	Support Manager TS
	John Chajecki	Technical Security Manager
	Paul Masters	Business Services Manager
	Pat Jones	Customer Services Manager
	Sarah Hornbuckle	Customer Liaison and Programs Manager
	Darren Newbold	Server Support Manager
	Tom Grimes	Server Support Manager
	Prakash Mistry	Server/Technical Support Manager
Social Care & Health (SC&H)	David Oldershaw	Corporate Director
	Andrew Bunyan	Children & Family Services Director
	Bhupen Dave	Adults Division Director
	John True	Resources Director
	Bob Drake	Head of ICT
Housing	Mike Forrester	Corporate Director
	Dave Pate	Housing Resources Director
	Geoff Whittle	Head of ICT
	David Taylor	Landlord Services Manager
Regeneration & Culture (R&C)	Tot Brill	Corporate Director
	Andy Keeling	Resources Director
	Tess Booth	Head of Service ICT & Marketing
	Dulari Bhatt	Head of ICT
Education & Lifelong Learning (ELL)	Jen Johnson	Head of ICT
	Helen Wright	ICT Curriculum Consultant
Internal Audit	Lauri Goldberg	Head of Audit & Governance
	Steve Kelvey	Audit & Governance
	Tony Green	Audit & Governance

Much of the information presented in the following sections was gathered through these interviews. The project team expresses its thanks to all who participated for their helpfulness and generosity of time and efforts during this stage of the project.

2.3.1 Scope

The scope of this review includes all areas of ICT activity across the Council, except for curriculum support within schools. Admin ICT for support in schools is included, although the scope of work within Education has been restricted due to a lower level of engagement from this directorate.

3 ICT PERFORMANCE ASSESSMENT

3.1 BACKGROUND

3.1.1 Introduction

The objective of this ICT Organisation Assessment is to examine the evolution to date of the ICT functions, the current position of ICT within the Council as well as its alignment with the needs of the key business units of the Council.

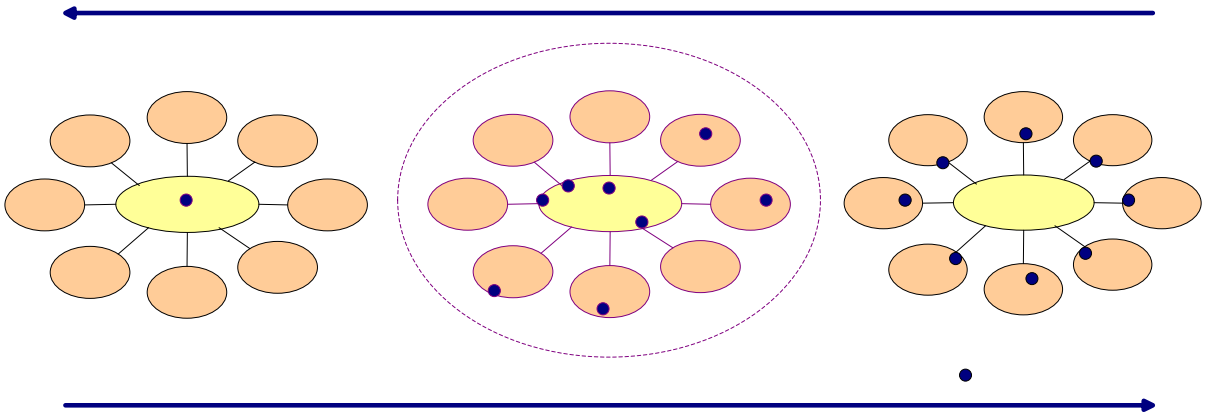
3.1.2 Historic Approach to ICT in the Council

ICT was originally implemented as and when necessary in order to support business processes, and soon proliferated into many separate functions and departments. There has been subsequent consolidation, both organic and architected, through mergers of departments and the creation of a central department in the mid 1980s.

3.1.3 Current ICT Organisational Structure

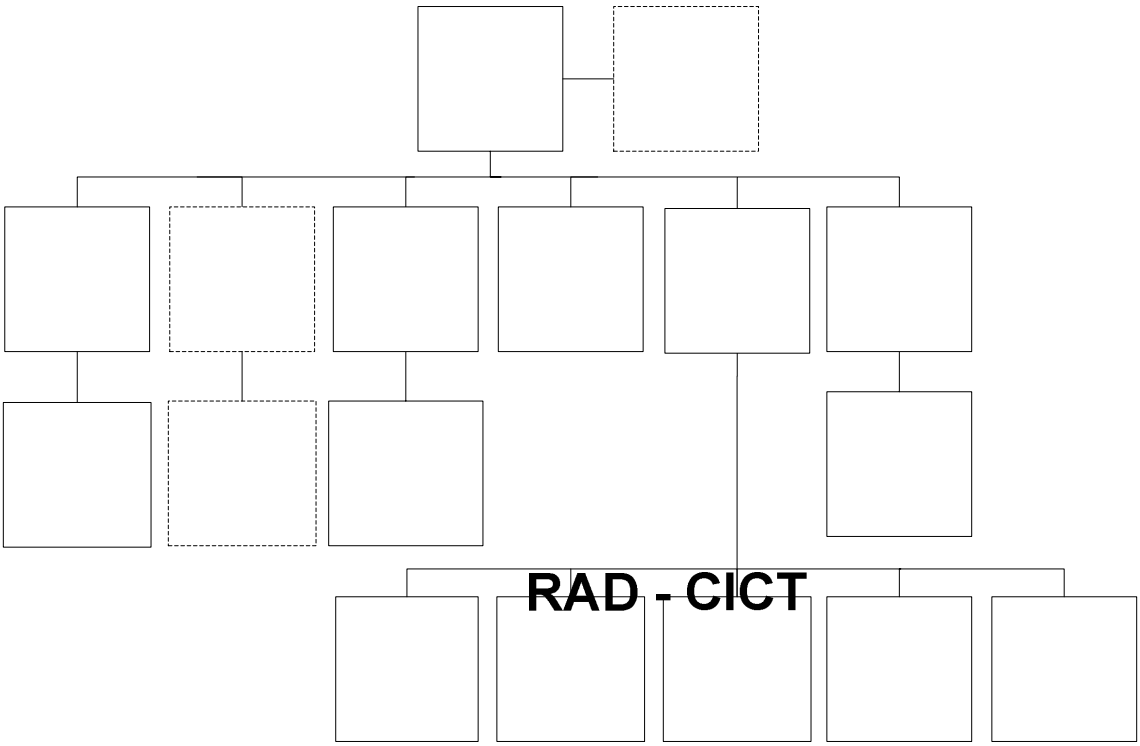
The present ICT structure is a complex mix of centralised and devolved services. Central ICT services are provided by the Resources, Access & Diversity (RAD) department. The Social Care & Health (SC&H) and Education & Lifelong Learning (ELL) departments obtain the majority of their ICT services through Central ICT. Regeneration & Culture (R&C) and Housing (HSG) have their own virtually autonomous IT sections and some support activities are carried out in the other departments. Education & Lifelong Learning have a small development function. This has resulted in a hybrid ICT delivery approach as demonstrated in diagram 1.

Diagram 1: ICT delivery models



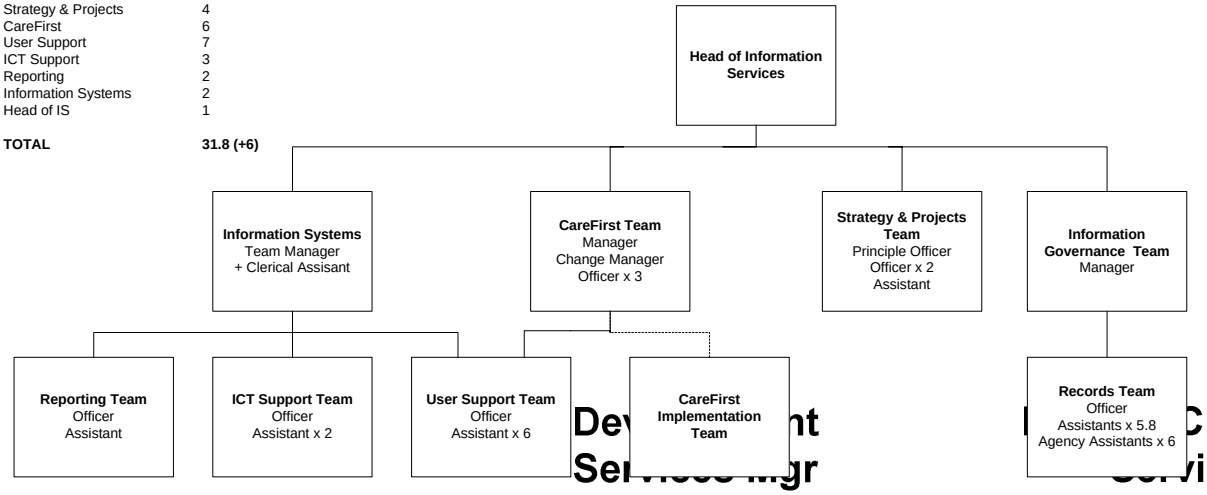
Departments using services provided by CICT are issued recharges at rates provided by Trading Agreements published yearly. Central services include network services, systems support and development time.

ICT Organisational Structures



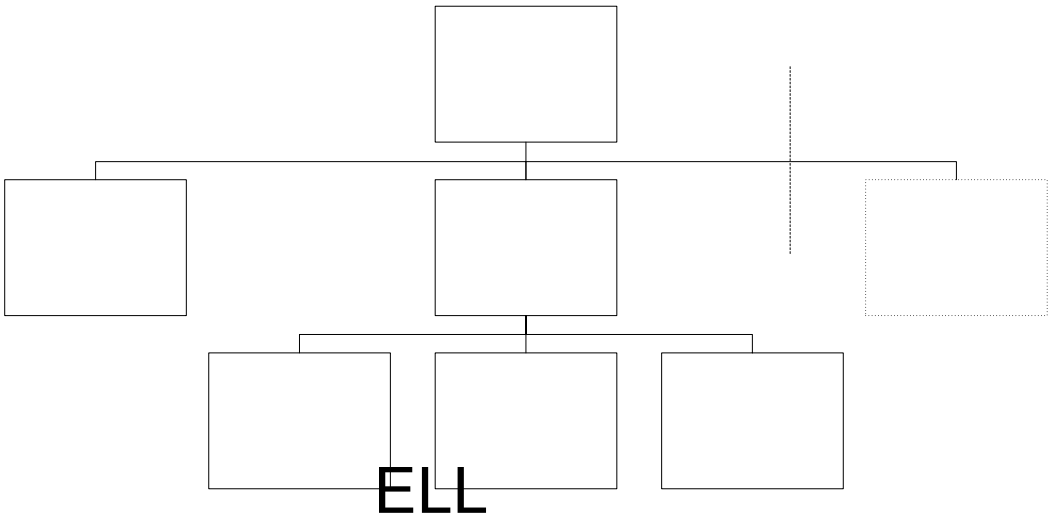
SC&H

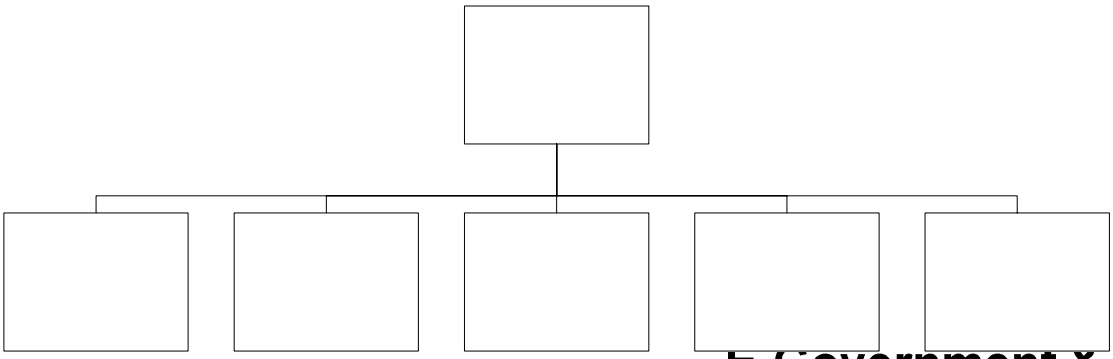
Information Governance	6.8 (+6)
Strategy & Projects	4
CareFirst	6
User Support	7
ICT Support	3
Reporting	2
Information Systems	2
Head of IS	1
TOTAL	**31.8 (+6)**

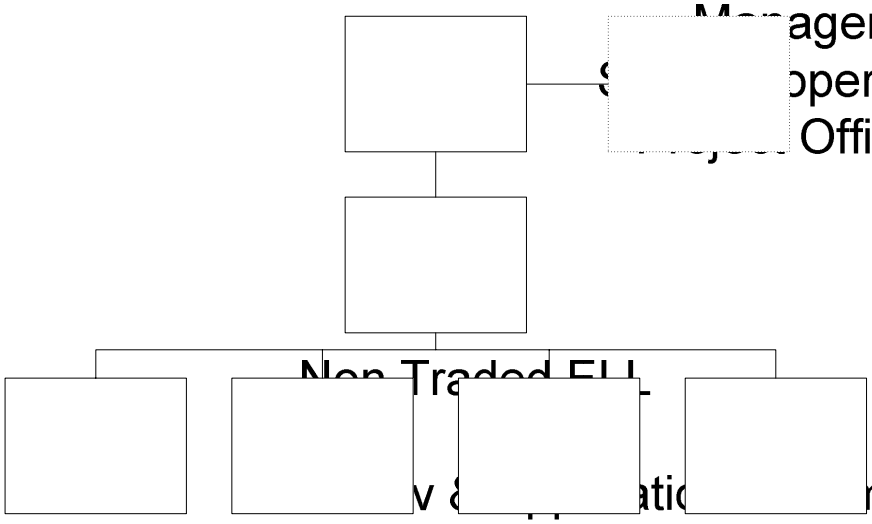


Development Services Team

Customer Services Team
1 Development Mgr







F&C Team	4
EMS Team	5
Admin & Finance	2.5
Data & Analytical Services Mgr	1
Head of Info Management & e-Services	1

Total ICT Related Headcount: 190.5
(this figure excludes FMIS team in RAD)

Table 2: Summary of ICT Service Delivery Responsibilities by Department

Service Area	CICT	SC&H	ELL	R&C	HSG
Strategy	Central	Central for corporate framework Local	Central for corporate framework Local	Central for corporate framework Local	Central for corporate framework Local
Development	Central	Central	Central Local	Local Central	Local Outsourced
Operations	Central	Central Local	Central Local	Local	Local Central
Procurement	Central	Central Local	Central Local	Local Central	Local
Helpdesk					
• 1st	Central	Central	Central	Local Central	Local
• 2nd	Central	Central	Central	Local Central	Local
Applications Support					
• Core	Central	Central	Central	Local Central	Local Outsourced
• FMIS	Central	Central	Central	Central	Central
• Departmental Applications	Central	Local	Local	Local	Local
PC Maintenance	Outsourced	Outsourced	Outsourced	Local	Outsourced Local
Hardware Support	Central	Central	Central	Local	Local
Network Support	Central	Central	Central	Central Local	Central
User Admin (inc Security)	Central	Central	Central	Local Central	Local Central
BCP	Central	Central	Central	Local	Local
Telecoms	Central	Central	Central	Central	Central

Where overlaps exist, the major service provider or delivery mechanism is listed first

3.1.4 ICT Helpdesk Comparison

The council operates three separate helpdesks; one provided by Central ICT, one supporting the Housing department and the third supporting Regeneration & Culture.

The following table compares key metrics for each department.

Table 3: ICT Helpdesk comparisons

Metric	CICT	R&C	Housing	Overall
Number of staff/FTEs	13	4	5	25
Number of operational hours per week	44.5	37	51.5	45.5 (average)
Number of employees supported (FTEs including office based workers, school administrators and Elected Members 2004/5)	2746 (although significant support is also given to other depts)	1500	1432	5678
Staff: Employee Ratio	1:211	1:375	1:286	1:227
Number of calls received per year	64,167	10,000	16,968	91,135
Number of Calls per User per Year	23	7	12	16
Staff Calls per day	19	10	13	14
Number of first line fixes	66%	62%	38%	60%
Average time for second line fix	406 minutes	334 minutes (estimate)	628 minutes	459 minutes
Helpdesk structure	Hybrid	Technical, skilled	Technical, skilled	Hybrid
Types of calls received	All ICT related calls including Data Protection & FOI	Hardware, Software, Networking, Applications, Procurement etc	Development Team End User Support Applications Procurement	-All-

*SOCITM 2003
Departmental figures provided by departmental heads of ICT, central figures provided by RAD Business Services Manager

Helpdesk Structure Options

- **Technical, skilled**: All help desk agents are both call takers and responsible for resolving all queries
- **Two-stage:** One group take calls and directs them to another group who resolve queries
- **Hybrid**: One group take calls and resolve some problems. Complex problems are passed to another group for resolution
- **Virtual help desk**: There is no visible central help desk. Calls are routed to various levels of support staff based in different locations
- **Outsourced**: An external company is contracted to provide helpdesk functionality

Table 3.1: Benchmarking Helpdesk Function

Benchmark	Leicester City	Government Average
Average number of help desk calls received per day per agent	14	33[1]
First line fixes	60%	42%[1]
Percentage calls resolved within 4 hours	55	57%[2]

[1]Help Desk Institute UK 2005 Practices Benchmarking Report
[2]SOCITM Service Review 2003

Initial benchmarking data suggests that the number of help desk calls taken per agent is less than average, but the first time fix percentage is greater than average. Other benchmarks provided by the Help Desk Institute indicate that the number of support staff to users is less than average, although the number of calls per member of staff is close to the average. The current helpdesk environment does not offer SLAs on the percentage of calls that will be resolved during agreed timescales. More detailed benchmarking is covered in section 3.2 of this report.

Initial user feedback on the performance of the helpdesk suggests that the current helpdesk structure is proving to be somewhat confusing to some users, who feel they do not have a universal first point of call, and have to rely on personal contacts within the support function.

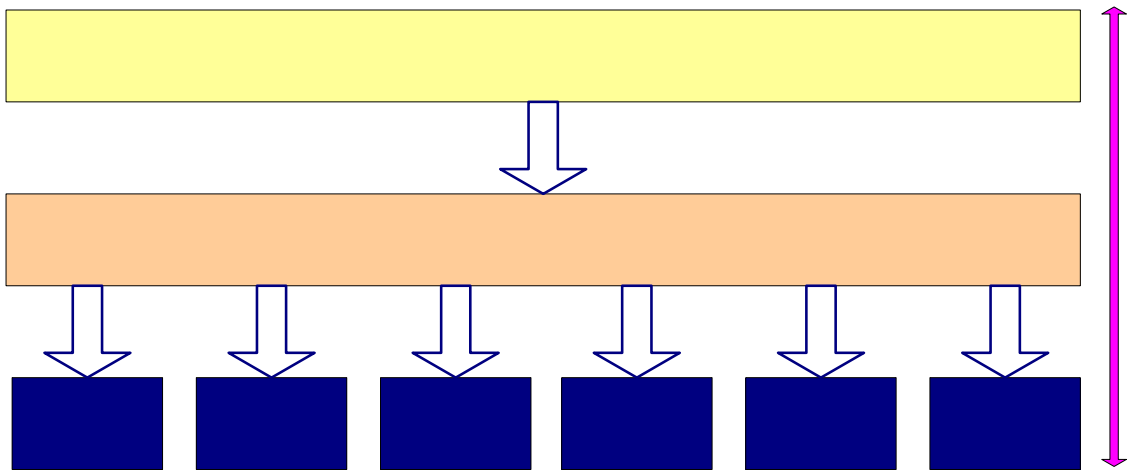
3.1.5 Strategy

The Council has an ICT Strategy which has been formed in the broader context of the overall Corporate Strategy, and provides a strategic framework for ICT across the Council. It seeks to identify departmental ICT priorities and objectives, and then specifies a high level corporate plan.

The framework includes several components, each describing different aspects of ICT delivery. A summary of these components and their hierarchy is given below.

Table 4: Leicester City Council ICT Strategy

Document	Contents
E-Modernising Leicester Strategy	Vision, targets and measures for delivering e-services and government e-projects
Core Systems Strategy	Plans for developing core corporate systems over next three years
Technical Infrastructure Plan	Changes to technical architecture, security considerations and BCP
Customer Access Strategy	Plans for improving customer access (ICT and non-ICT)
Information Management Strategy	Priorities to ensure compliance with government acts (FOI, DP)
Departmental ICT Strategies	Each department is expected to develop their own ICT strategy in the context of the overall ICT strategy and deliver it to central ICT services



As presented above, several components of the strategy are as yet incomplete. Departmental ICT strategies are not sufficiently differentiated from the central ICT Strategic Framework, and in some cases remain incomplete.

3.2 SUMMARY OF ASSESSMENT

3.2.1 Key Issues

The following list summarises the most significant points identified.

- No single point of responsibility for ICT across the Council to ensure cooperation between departments and enforce corporate line;
- ICT strategy is incomplete and fragmented;
- There is duplication of roles between central and departmental ICT departments;
- There is duplication and confusion as to role of central/departmental helpdesk and procurement;
- There is tension and mistrust between central and departmental ICT departments;
- Key positions have remained unfilled until recently;
- There is a lack of transparency of ICT costs due to devolved budgets and recharging system.

With specific regard to benchmarking against other Councils, the following key issues have been identified:

- The service delivery model for ICT needs to be revisited to ensure it provides an efficient and effective service for the organisation;
- The ICT Strategy needs to be finalised and agreed;
- Central ICT needs to effectively manage relationships with key stakeholders in order to deliver service improvements;
- Improvements in procurement by effectively managing relationships between the Council and its suppliers; and
- There is a high risk of increased support costs due to the current approach to application development and configuration.

These issues are explored in more detail in the sections below.

3.3 Benchmarking of LCC ICT Function against National ICT Standards

3.3.1 Introduction to benchmarking

National ICT standards for local authorities have been developed by a collaboration of local authorities, the ODPM and Deloitte. These standards form part of the National e-Service Delivery Standards programme and were identified as being an effective way of quantitatively assessing ICT performance between authorities, as well as identifying which areas the Council should focus on in order to deliver a more effective ICT service. These were used as the basis for Deloitte's benchmarking of organisational ICT performance, and provided the foundation for the interview sessions held with Client staff. Interview questions can be found in Appendix 2.

There are 19 standards based on 13 themes which include ICT Strategy, Governance, Performance Management and Service Delivery.

Each standard is graded at up to three levels, Minimum, Progressing and Excellent, although not every standard has a Progressing or Excellent level.

If the assessed standard does not meet Minimum level requirements, it is deemed to be non-compliant within that area. An explanation of each level is given in the table below.

Excellent	This is global best practice, comparable with the most effective public and private sector Organisations. ICT is being geared up to deliver maximum value to the Organisation.
Progressing	At this level, ICT is adding value through proactive behaviour and close alignment with Organisational needs
Minimum	This should be the minimum standard to ensure that the Council is using ICT effectively. There is a typically effective relationship between ICT and the Organisation
Non-compliant	Good results may be achieved sometimes, but success is generally inconsistent and typically dependent on individual efforts or heroics. ICT's relationship with the Organisation can be patchy.

3.3.2 National ICT Standards Summary

The themes and standards examined by the National ICT standards are as follows:

ICT Strategy	There is an agreed understanding of how ICT will be used to support the organisation
Business Engagement	The ICT service manages its relationships with all stakeholders
	Business Change is actively managed alongside ICT implementation
Governance	ICT is subject to robust governance
	There is a business case approach to ICT investment
ICT Architecture Management	The ICT service is in control of the current Technical Architecture
	The Technical Architecture supports the delivery of priority outcomes
Configuration, Development & Integration	There is a rigorous and consistent approach to configuration, development and integration
Information Management	The organisation has an information management strategy
Information Security	The organisation is planning for compliance to BS7799
Performance Management	The organisation has an ICT performance management framework
Strategic Sourcing & Supplier Management	Supplier relationships are managed
	There is a strategic approach to ICT sourcing
Programme & Project Management	The organisation has a programme management capability
	The organisation has a project management capability
Skills Management	All employees are given the opportunity to become proficient and confident in using ICT
	ICT staff development is managed
Service Delivery	There is a proactive service delivery model in place
Service Support	There is a responsive service support model in place

3.3.3 Work performed

An assessment against each standard was performed through an extensive series of interviews with key ICT stakeholders. Full documentation of the results for the interviews is available in Appendix 3. Questions asked at the interview sessions related to the standards, and respondents could agree, disagree or remain neutral to each statement.

A score of +1 was associated for each percentage point obtained by 'Agreed' answers and a score of -1 was associated for each percentage point obtained by 'Disagreed' answers. Neutral answers were not awarded any points. The totals summed for each of the standards are found in Table 5, in increasing order.

Given the considerable number of audit reviews which have taken place around ICT in recent years, we have focused our review on assessing performance rather than compliance. In addition to collating the information provided by staff we have applied our own interpretation of current practice in local authorities in reaching our conclusions in the summary of this document.

Table 5: Scores obtained by LCC for each NeSDS Standard

Standard	Total
There is a rigorous and consistent approach to configuration, development and integration	**-44**
Supplier relationships are managed	**-43**
There is a proactive service delivery model in place	**-25**
Business Change is actively managed alongside ICT implementation	**-23**
There is an agreed understanding of how ICT will be used to support the organisation	**-16**
There is a business case approach to ICT investment	**-12**
The organisation has a programme management capability	**-6**
The ICT service manages its relationships with all stakeholders	1
The organisation is planning for compliance to BS7799	7
The ICT service is in control of the current Technical Architecture	8
There is a strategic approach to ICT sourcing	16
There is a responsive service support model in place	19
ICT is subject to robust governance	31
The organisation has an information management strategy	31
The organisation has a project management capability	33
The organisation has an ICT performance management framework	34
The Technical Architecture supports the delivery of priority outcomes	40
ICT staff development is managed	51
All employees are given the opportunity to become proficient and confident in using ICT	73

= Cause for concern (-100 to -1)

= Room for improvement (0-49)

= Good (50+)

By averaging the results obtained by theme, it is possible to see more clearly the key areas that will need to be addressed.

Table 6: Leicester City Council performance against national ICT standards

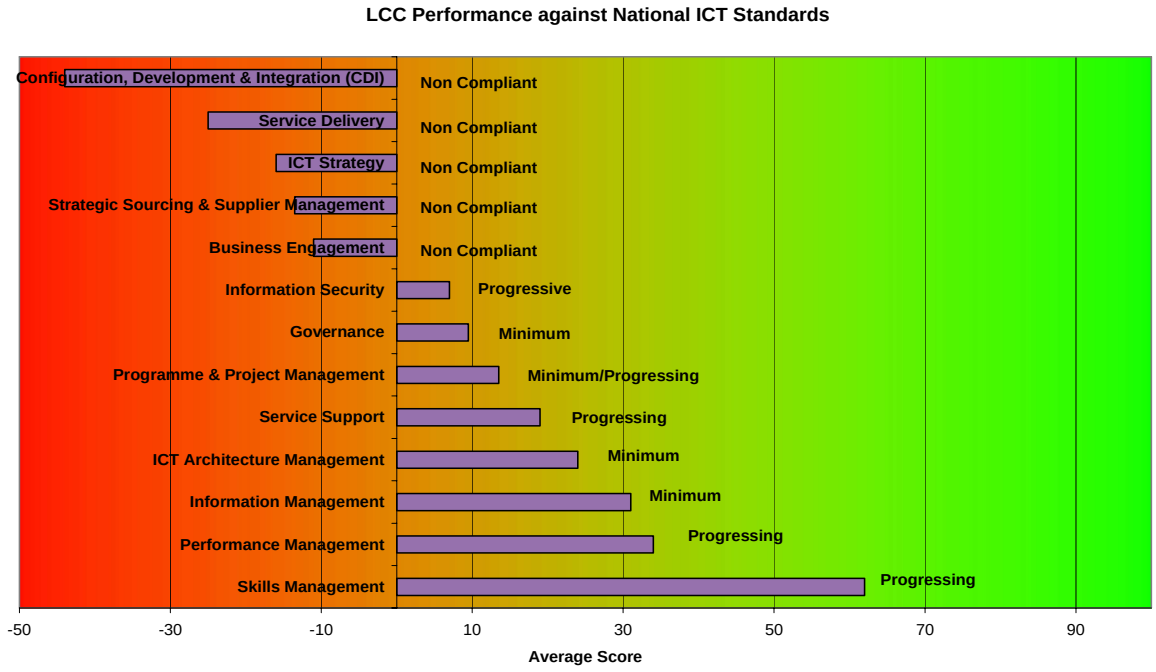
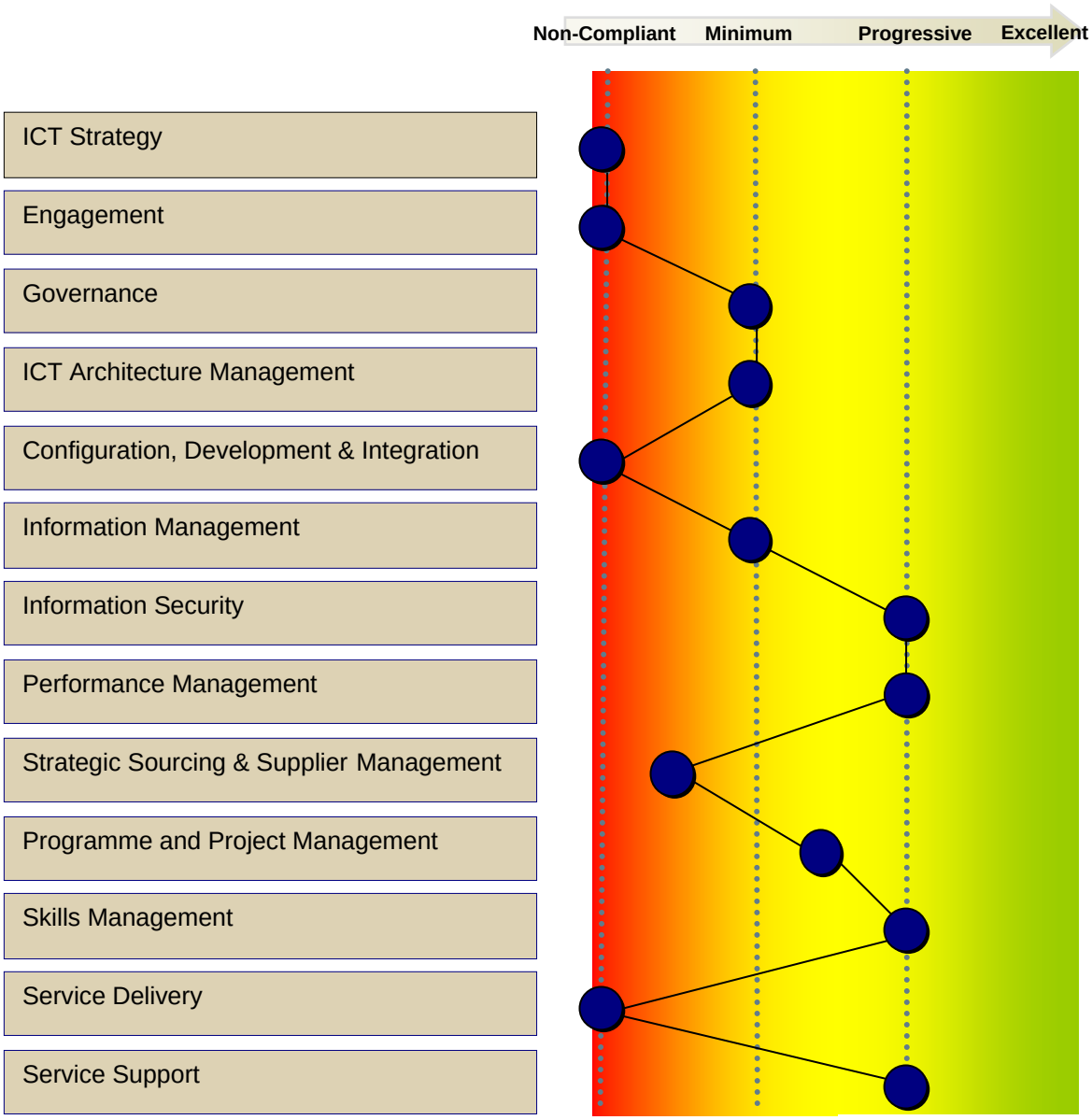


Table 7: Leicester City Council performance against national ICT standards



3.3.4 Detailed Benchmark Analysis

This section analyses issues identified in more detail, and starts to consider what actions might be required to address the issues, although no formal recommendations are being made at this stage.

Theme: **Strategy** Status: **Non-Compliant**
Result: Unnecessary expenditure due to unfocused investment. ICT function not as able to support business improvement

Issue	Action
Elements of ICT strategy incomplete	• Consult and engage with departments – complete ICT strategy • Ensure that strategy is aligned with Council & departmental needs
ICT policy not viewed as a priority	• Obtain board level sponsorship of ICT
Insufficient investment in ICT	• Back strategic investment using ROI models
Non-ICT staff unaware of ICT strategy	• Engage with broader Council community (beyond intranet) ensuring that staff are aware of strategy

Theme: **Engagement** Status: **Non-Compliant**
Result: Unnecessary expenditure due to duplicated effort, reduced effectiveness of ICT function

Issue	Action
Mixed relationships between ICT and other departments	• More effective engagement and working relationship with other departments • Resolve disputes • Review roles, responsibilities and competency framework for key engagement roles – ensure staff have appropriate skills and experience to fit the roles • Ensure clear two way communication (through account management etc.)
Some confusion over policies & procedures	• Ensure communications are not just posted on intranet, but part of staff ICT orientation
ICT implementations not always change managed	• Standardise procedures • Ensure inclusion of change management in project timelines and costs • Appoint Business Change Managers
ICT not being used sufficiently to drive business improvement	• Engage management board • Listen to departmental need • Increase visionary leadership

Theme: **Governance** Status: **Meets minimum standards**
Result: ICT and corporate policy partially aligned leading to some reduction of misdirected investment, benefits from ICT implementations somewhat understood – Room to improve

Issue	Action
ICT policy not understood and discussed at highest levels	• Include or enhance ICT representation at executive board level
Members not positively engaged with ICT	• Engage members using case study presentations demonstrating results of effective ICT implementations at leading authorities
Costs and benefits of ICT not fully understood	• Implement TCO and ROI evaluation for all ICT implementations • Ensure these are reviewed on completion

Theme: **ICT Architecture Management** Status: **Meets minimum standards**
Result: The council is in control of its current technical architecture, reducing costs of system outages and workarounds. Future updates however may not be aligned with corporate priorities or interoperability standards

Issue	Action
Updates to architecture not effectively managed and not aligned to future strategy	• Align council ICT architecture policy with e-GIF and corporate strategy

Theme: **Configuration, Development and Integration** Status: **Non-Compliant**
Result: Risk of increased support costs of support as locally held knowledge is lost. Increased costs associated with project failures or delays

Issue	Action
Lack of awareness of guidelines, lack of documentation regarding configured applications	• Ensure that a clear CDI policy exists, ensuring that all activity is consistently documented and stored centrally

Theme: **Information Management** Status: **Meets minimum standards**
Result: Council adhering to government standards, although risk of duplication of effort in creation and management of information

Issue	Action
Staff unclear about information strategy	• Complete information strategy (as part of ICT strategy)

	in consultation with other departments

Theme: **Information Security** Status: **Progressing**
Result: Staff are aware of security procedures reducing risk of costs of security breaches. Resources are in place to drive security preparations, although the Council is still some way off complying with recognised security standards

Issue	Action
Lack of overall ownership of security issues	• Centralise responsibility for security issues
Non-compliance with recognised standards	• Continue efforts leading to compliance with BS7799 or ISO17799

Theme: **Performance Management** Status: **Progressing**
Result: Evidence of performance management and benchmarking should lead to increased user satisfaction and increase effectiveness. However, absence of standard framework applied throughout the departments and lack of continuous improvement approach

Issue	Action
Inconsistent approach between departments	• Standardise SLAs by engaging all departments and agreeing targets.
No continuous improvement approach within standard framework	• Implement ITIL standards

Theme: **Strategic Sourcing and Supplier Management** Status: **Non-Compliant/Minimum**
Result: Recent activities have improved some aspects of ICT procurement and reduced costs, however relationships between suppliers and all departments are not managed, leading to inconsistent purchases and less value for money

Issue	Action
Not all ICT procurement is standardised	• Extend PC procurement consolidation to other areas, ensuring all departments are positively engaged
Supplier relationships not managed	• Devise and implement strategy to cover sourcing priorities, supplier performance and long term relationships

Theme: **Programme and Project Management** Status: **Minimum/Progressing**
Result: PRINCE2 has been adopted as a Council-wide project management methodology, which should lead to increased realisation of project benefits and reduced costs. However, standards are not universally applied and there is no best-practice approach to manage groups of projects, which may reduce opportunities to maximise synergies between projects

Issue	Action
Lack of Project Management resources and knowledge	• Reduce reliance on external contractors • Promote Project Management learning internally and establish project office
Benefits realisation unknown	• Include benefit realisation analysis as part of project lifecycle
No best practice approach to programme management	• Introduce OGC Managing Successful Programs as a framework

Theme: **Skills Management** Status: **Progressing**
Result: Trained users cost less to support, and have increased satisfaction. ICT suppliers should provide improved services

Issue	Action
Overall highly regarded ICT training, close to reaching Excellent standard	• Require evidence of succession planning and ICT competency framework

Theme: **Service Delivery** Status: **Non-Compliant**
Result: Reduced quality of service delivery and lack of proactiveness leading to user dissatisfaction

Issue	Action
According to internal auditors, the Council does not always respond to the outputs of reviews of service delivery. An example of this is the SOCITM benchmarking report, where recommendations have not been implemented and performance levels have actually fallen over time.	• Adopt proactive stance to react to shortfalls
Council not following best practice	• Adopt ITIL as a Service Delivery framework • Assess benefits of BS15000

Theme: **Service Support** Status: **Progressing**
Result: Decreased costs due to system and increased user satisfaction, comply to national standards to achieve excellence

Issue	Action
Council not achieving best practice	• Comply with national best practice standards (e.g. BS15000)

3.4 Analysis of staff opinions

Certain questions were included in the interviews to capture more general views held by staff that would more broadly assess the performance of the ICT function as a whole. The full results are presented in Appendix 4.

Table 8: Summary of ICT Service User Opinions

Question	Result
Corporate ICT services meet my expectations as a user/supplier	Disagree
The current ICT organisational structure is able to meet the requirements of the organisation	Disagree
Corporate ICT services provide a cost efficient service	Disagree
Corporate ICT services provide a time efficient service	Neutral
ICT service Delivery is consistent throughout the organisation	Disagree
ICT hardware resources should be consolidated to a central location	Agree
ICT staff resources should be consolidated to a central location	Agree
ICT consolidation poses a significant risk to the services provided to the organisation (internal customers)	Disagree
ICT consolidation poses a significant risk to the services provided by the organisation	Disagree
ICT service delivery would be improved by increased outsourcing	Neutral

3.4.1 How is the ICT Function at the Council Viewed by Users?

Corporate ICT services meet my expectations as a user/supplier

Overall Result	**Disagree**	(Agree)	38%	(Neutral)	15%	(Disagree)	47%
Agreed Comments	Good staff, working closer with central ICT brings benefits, services improving						
Disagreed Comments	Departmentalism, fragmentation, lack of vision, poor responsiveness						
Notes	Negative polarisation amongst departments that have own ICT function, surprising ambivalence within RAD						

The current ICT organisational structure is able to meet the requirements of the organisation

Overall Result	**Disagree**	(Agree)	**0%**	(Neutral)	16%	(Disagree)	84%
Agreed Comments	Meets hygiene factor requirements						
Disagreed Comments	Fragmented, duplication, departmentalism, bureaucratic, inefficient, lacking key positions, current hybrid structure resulting in the worst of both decentralised and centralised worlds						
Notes	Universal condemnation for current structure. Many comments supported consolidation						

Corporate ICT services provide a cost efficient service

Overall Result	**Disagree**	(Agree)	27%	(Neutral)	27%	(Disagree)	46%
Agreed Comments	Benchmarks against other local authorities are favourable						
Disagreed Comments	Extremely high recharges, procurement through centre more expensive than local procurement						
Notes	General *perception* of high costs across departments, not necessarily borne out by SOCITM benchmarks						

Corporate ICT services provide a time efficient service

Overall Result	**Neutral**	(Agree)	39%	(Neutral)	22%	(Disagree)	39%
Agreed Comments	Responsive, SOCITM benchmarks average, support calls fine						
Disagreed Comments	Arbitrary, several projects overrunning, bureaucratic, significant procurement delays						
Notes	Considerable disparity between RAD and other departments indicating RAD may get more timely service						

ICT service Delivery is consistent throughout the organisation

Overall Result	**Disagree**	(Agree)	**0%**	(Neutral)	**0%**	(Disagree)	**100%**
Agreed Comments	-						
Disagreed Comments	Not consistent even within departments, negative benchmarks, variability of systems, no proper controls or standardisation, can depend on physical proximity						
Notes	Universal recognition that fragmentation has resulted in inconsistency						

3.4.2 How Could the Council's ICT Function be Improved?

ICT hardware resources should be consolidated to a central location

Overall Result	**Agree**	(Agree)	**96%**	(Neutral)	**0%**	(Disagree)	**4%**
Agreed Comments	Would ensure economies of scale, clear accountability, increased effectiveness						
Disagreed Comments	Need to ensure effective BCP implemented, ensure individual requirements are taken into account						
Notes	Near universal agreement, although some departments have reservations and provisos						

ICT staff resources should be consolidated to a central location

Overall Result	**Agree**	(Agree)	**16%**	(Neutral)	**4%**	(Disagree)	**80%**
Agreed Comments	Economies of scale, efficiency, centres of excellence, consistent with needs of Council						
Disagreed Comments	Staff need to be close to business in order to have knowledge, need excellent account management						
Notes	Frequent reference to ensuring that local departmental knowledge and proximity is maintained. Departments agree sensitivity required						

ICT consolidation poses a significant risk to the services provided to the organisation (internal customers)

Overall Result	**Disagree**	(Agree)	**23%**	(Neutral)	**12%**	(Disagree)	**65%**
Agreed Comments	Central service levels need to be improved, dilution of knowledge, slow down business improvement,						

	tied up in bureaucracy
Disagreed Comments	Opportunity for improvement if done properly, more risk if not consolidated
Notes	RAD & ELL do not consider risk significant, other departments are more concerned

ICT consolidation poses a significant risk to the services provided by the organisation (external customers)

Overall Result	**Disagree**	(Agree)	**33%**	(Neutral)	**13%**	(Disagree)	**54%**
Agreed Comments	Slow down business improvement, increase costs, would need very careful management						
Disagreed Comments	Opportunity for improvement if done properly, risk if not consolidated , improved end user experience						
Notes	Again RAD & ELL do not consider risk significant, other departments are more concerned						

ICT service delivery would be improved by increased outsourcing

Overall Result	**Neutral**	(Agree)	**35%**	(Neutral)	**30%**	(Disagree)	**35%**
Agreed Comments	Payroll outsourcing successful, more cost effective, central ICT already viewed as being outsourcer						
Disagreed Comments	Doesn't compare on cost, wouldn't understand needs, prior experience not good						
Notes	Outsourcing not seen as magic bullet, although some departments sufficiently exasperated to want to move in this direction						

3.5 General Commentary

Apart from asking interviewees whether they agreed with the questions, staff were also given opportunities to comment and explain each answer. Certain perceptions were repeated frequently throughout the interview process. A summary of these points can be found below.

Table 9: Summary of Interview Comments

Area	Key Perceptions				
Business and ICT Strategy	ICT not viewed as an overall priority	Tension between central and some dept. IT requirements	Entire Council is silo oriented both inter- and intra-departmentally	Lack of consistency in knowledge & application of strategy	
The Role of ICT	Central ICT not customer focused	Central ICT is overly prescriptive	Central ICT provides few proactive ideas	Lack of clarity due to fragmentation/ duplication	
The IT Service and Operations	Good day to day technical service and dedicated staff	Fragmentation leading to duplication of effort	Unclear what number is first point of call for helpdesk functions	IT Service too expensive	Procurement is expensive and slow
	Poor project benefit realisation	Central ICT overly bureaucratic, not sufficiently agile	Departmentally based IT support is critical	Good localized departmental knowledge	Patchy standards throughout – pockets of good and bad

3.6 Key Document Review

Four key documents form the context in which this As Is Assessment is carried out:

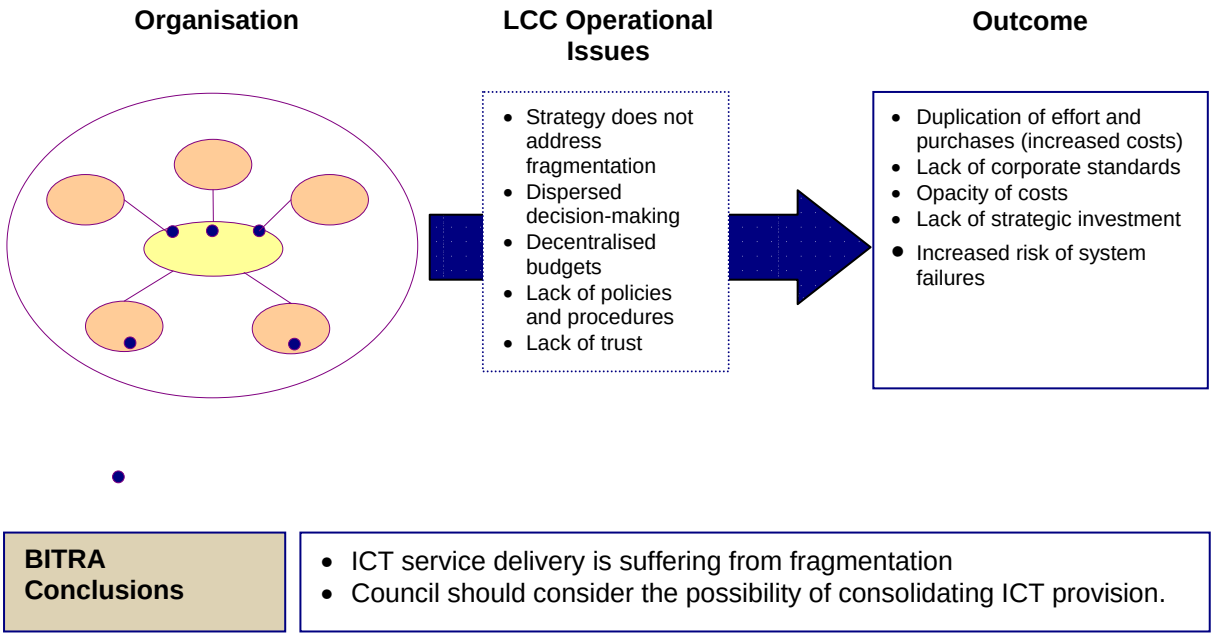
- Audit Commission Baseline IT Risk Assessment - Leicester City Council Audit 2005-2006;
- Wolverhampton Business School (WBS)/Society of IT Management (SOCITM) Insight Benchmarking User Satisfaction Analysis of Leicester City Council;
- National e-Service Delivery Standards (NeSDS);
- Leicester City Council's ICT and E-Modernising Leicester Strategic Framework March 2004 – March 2007.

Other Council documents have been reviewed, assessed and referred to as appropriate in the relevant section of this document. A full listing of all referenced documents is included in Appendix 1.

3.6.1 Audit Commission Baseline IT Risk Assessment

The Audit Commission inspects local authority services to assess their quality, cost effectiveness and prospects for improvement, and the Baseline IT Risk Assessment (BITRA) is a national audit product that provides a comprehensive and consistent method of assessing IT systems and technology risks. It is designed to link to the Code of Audit Practice and provides a structure for collecting and assessing information.

The key risks identified by the assessment stem mainly from the hybrid/decentralised nature of ICT provision at the council.

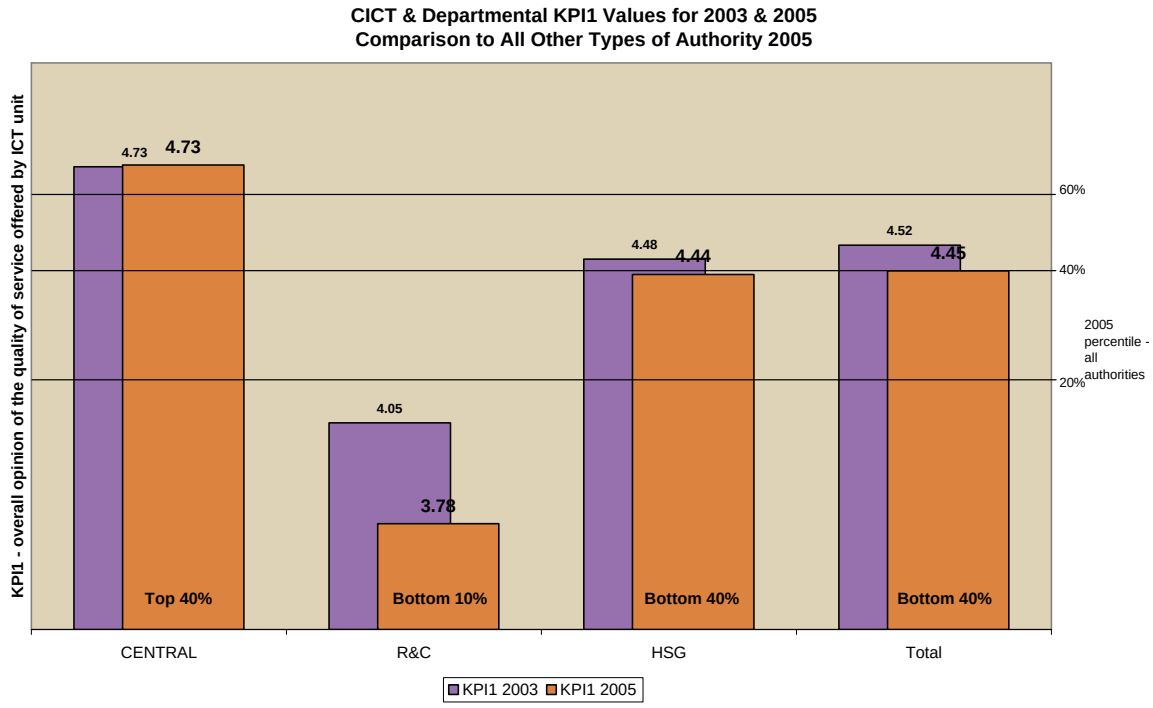


3.6.2 WBS/SOCITM Insight Benchmarking User Satisfaction (BUS)

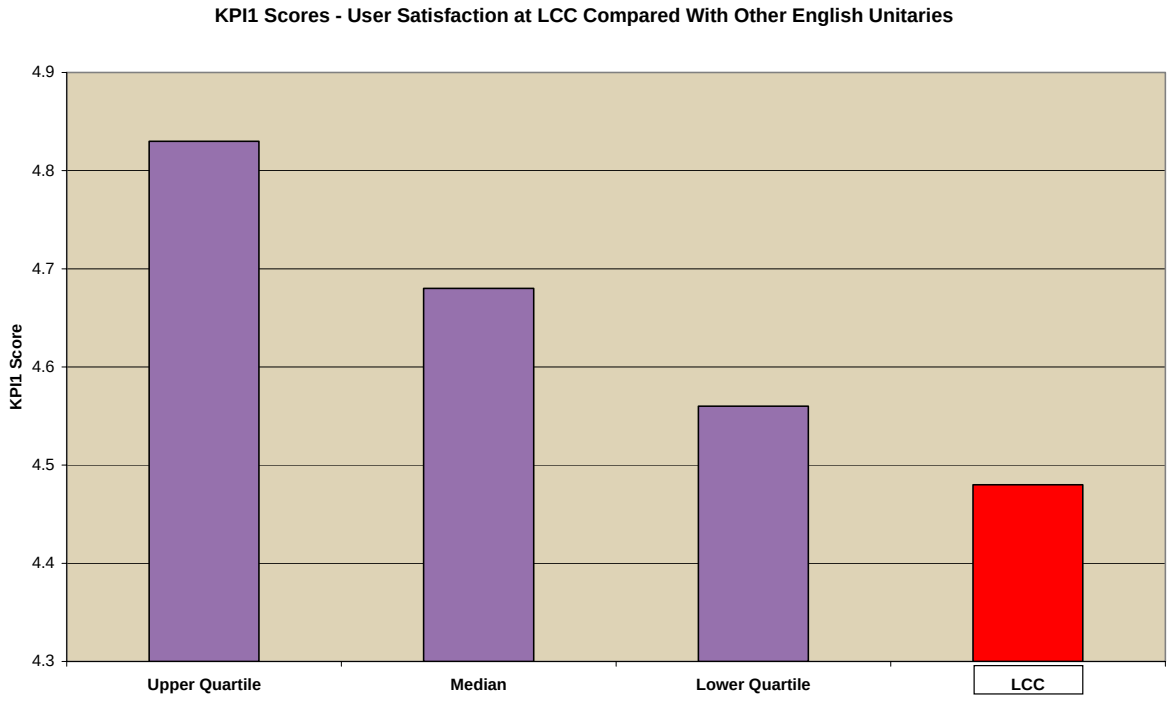
SOCITM's Insight service for benchmarking user satisfaction employs a series of questions designed to provide information as to how well ICT performance is perceived at the local authority, and what should be done in order to increase credibility and deliver service improvements. LCC has participated in the BUS four times to date since 1999, allowing an analysis of change over time to be made.

The key findings identified by the survey are that the quality of ICT service provision at the Council is perceived to be inconsistent and in decline.

Figure 1: Comparison of overall opinion of QoS offered by ICT between 2003 and 2005 split by department



There is a significant disparity of the perception of quality between users of Central and departmental ICT. The perceived quality of service provided by Central ICT has been consistent between 2003 and 2005. However, there was a slight decrease in the satisfaction ratings of users of the Housing ICT service and a significant decrease in the satisfaction ratings of users of the R&C ICT service which taken alone would place it in the bottom 10% of English unitaries.



The overall performance of LCC in this survey is well within the bottom half of the overall national league table and lower than the lower quartile of English Unitaries, indicating that significant improvements are required in order to meet user expectations.

According to the survey, the most frequent contributions to dissatisfaction in departmental ICT stem from support issues, although the most significant single factor overall was that respondents didn't feel ICT delivery was responsive or involved users sufficiently.

WBS/SOCITM Insight BUS Conclusions	• Unify ICT management structure • Implement consistent standards • Differentiate *delivery* by providing customer-focused service

3.7 SWOT Analysis

A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis was carried out as part of the Assessment in order to ensure that the Council is able to capitalise on strengths, mitigate against weaknesses, allow the Council to take advantage of opportunities and avoid threats.

This assessment was carried out by Deloitte combining both information provided by Council staff supplemented by our own perceptions.

Strengths	Weaknesses
• Committed Staff • Reliable Infrastructure • ICT Training	• Fragmented • Resource allocation • Lack of corporate management/standards/strategy • Reactive rather than visionary • Prescriptive rather than customer-focused • Lack of consistent systems and O/S (refer to sections 5.3 and 5.4 for more detail) • Lack of agility
Opportunities	**Threats**
• Consolidation • Improved efficiency • Improved customer focus and satisfaction • Joined-up government • Strategic investment	• Increased Fragmentation • Increased Cost • Increased Outsourcing • Projects not realising benefits

3.7.1 Strengths

Throughout the assessment interviews, the quality of the staff, both in terms of their commitment and knowledge was highlighted. In addition, several members noted that the architecture seemed reliable, or that reliability was improving. This is borne out by SOCITM benchmarks stating that availability of critical systems was 99.8% or higher during agreed service times between January and November 2004.

Although there are obstacles to change readiness, as discussed in relation to the threats and weaknesses below, the clear willingness of the majority of Client staff to be progressive and adopt programmes of change will support the adoption of proposed projects. The strategic direction established as part of the Business Improvement Programme will guide and support this adoption.

ICT Training is considered essential in order to reduce support costs and increase staff productivity. Although not consistently identified as a particular strength by respondents, 90% of them felt they had sufficient ICT training in order to perform effectively, and a significant majority thought that the Council was responsive and proactive in providing training.

3.7.2 Weaknesses

A key weakness identified by 50% of interviewees is the fragmentation of ICT management throughout the organisation. There are 3 separate ICT departments operating for the Council. This has resulted in corporate systems not being integrated, duplication of staff resources and purchases, increased complexity and increased costs.

Many respondents felt there was a lack of clear strategic direction, which is likely exacerbated by the departmentalised nature of ICT and outstanding departmental contributions to the Council's ICT strategy

Furthermore, the Council operates under a regime of strict financial constraints. There is little additional room for budget increases or evidence of 'invest to save' programs. Therefore there may be difficulties securing appropriate budget for business initiatives.

Many of the respondents seemed to feel that central ICT did not fully listen to their requirements prior to making decisions, and was instead providing a prescriptive and rigid service. This had led to loss of involvement of certain key staff members. In addition, Central ICT was seen to be trailing in the roll out of new technologies that would deliver benefits. There was also recurrent criticism over the length of time required to procure ICT equipment.

Qualitatively, there seemed to be a lack of interdepartmental trust, with several respondents clearly criticising the performance of staff in the other ICT departments. A major contributor to the lack of trust was the perception that central ICT had insufficient knowledge of departmental business.

3.7.3 Opportunities

Consolidation of hardware and management structure was identified as a means to reduce unnecessary expenditure and produce economies of scale, although some staff within the departments viewed consolidation as a threat to the quality of departmental services.

It was felt that this consolidation would result in improved communication between departments, and would support initiatives that would lead to increased efficiency. In addition, consolidated systems would lead to increased sharing of information, helping to meet central government objectives.

It was suggested that consolidation could only occur successfully if trust barriers were effectively broken. Establishing a customer-focused approach would lead to higher satisfaction levels and a greater understanding of departmental objectives.

By taking a more visionary view of ICT provision, opportunities could be identified whose Return on Investment would justify initial expenditure, improving service levels and reducing costs in the long term.

3.7.4 Threats

If no action is taken to change ICT service delivery at the Council, this could lead to further fragmentation, which is seen as a source of inefficiency. This would lead to increased costs as staff resources, hardware, and software purchases are duplicated at different departments.

The current situation is viewed as unsustainable and if action is not taken now, some respondents believed that departments will take steps towards outsourcing their services.

Although project management standards have been implemented throughout the organisation, effective benefit realisation procedures are not in place and therefore projects may not be delivering all the potential benefits.

4 FINANCIAL ASSESSMENT

In order to be able to analyse how to achieve cashable cost savings within the Council's organisational ICT services, it is first necessary to understand the current costs and level of efficiency of the current service arrangements. The calculations were then benchmarked against Local Authority averages to evaluate the value for money being provided.

4.1 Total Cost of Ownership

4.1.1 Introduction

A Total Cost of Ownership review attempts to quantify all costs associated with the provision of ICT service including direct capital and revenue costs, as well as attempting to identify and quantify indirect costs. After studying a review of the literature available for determining TCO in the public sector, a list of costs to consider was compiled. These costs would be gathered from Central and departmental ICT and analysed to identify potential cost savings.

4.1.2 Approach

A list of ICT cost items was compiled, classified and distributed to departmental heads of ICT.

Department	TCO Information Providers	Title
RAD	Paul Masters	Business Services Manager
SC&H	Bob Drake	Head of ICT
ELL	Jen Johnson	Head of ICT
R&C	Dulari Bhatt	Head of ICT
HSG	Geoff Whittle	Head of ICT

The list of cost items and associated documents can be found in Appendix 5.

In order to corroborate the information provided by the heads of ICT, a parallel exercise was undertaken to identify ICT spend held in the Council's Financial Management System (FMIS). ICT revenue expenditure is recorded within the FMIS under a specific coding structure. This information was extracted and separated by department. Due to departmentally devolved budgets and the Council's ICT recharge system, this data had to be analysed to de-duplicate costs which were counted both centrally and departmentally. Finally any revenue costs that had been capitalised were identified and separated.

Initially the FMIS revenue figures were to be used as a check against the TCO figures provided by the heads of ICT, but costs extracted from the FMIS were found to be significantly higher. This identified that considerable departmental ICT costs are not recorded under the ICT cost centres managed by departmental heads of ICT (i.e. they are committed by others).

In order to obtain an accurate TCO figure, the sanitised 2004 ICT revenue costs from the FMIS were combined with 2004 capitalised costs also extracted from the FMIS, together with 2004 ICT Staff costs and overheads provided by the departmental heads of ICT. The detailed spend information provided by these managers would be used to gain an insight into the *pattern* of spending, but would not be used to provide the overall TCO figure.

The figures presented below represent the most accurate figure that could be assembled within the limitations of the information available and based on the data provided by the

Council. It cannot be guaranteed that all duplication has been avoided although considerable lengths have been taken to avoid this. Similarly any miscoding of purchases will affect the figures.

To calculate the TCO we are trying to identify a revenue cost only, capital expenditure has been excluded but capital charges included.

Data was also provided for budgets for 04/05 and we have compared them with actuals. Apart from Housing, actuals were considerably higher than budgets, indicating that departments are funding ICT spending from savings elsewhere (this would not be unusual). It is estimated that the difference between budget and actual on non-staff revenue expenditure is c£2.26M.

4.1.3 TCO Results

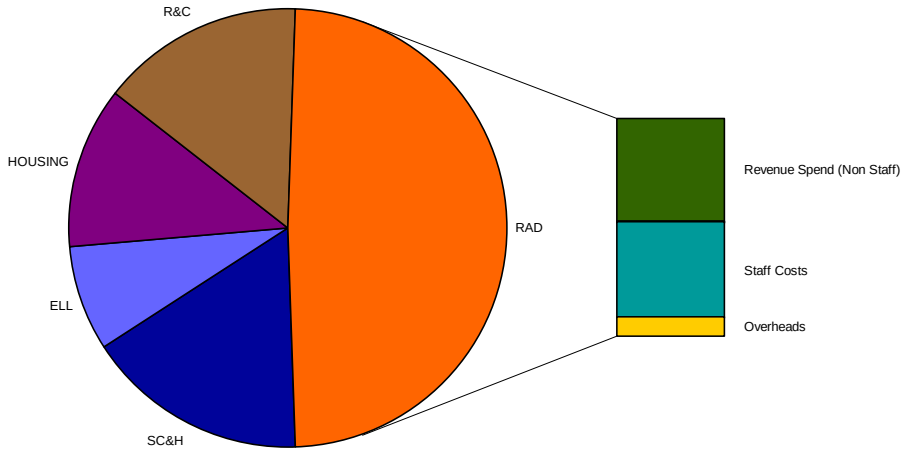
A summary of the cost information provided by the Council is as follows.

Cost	CICT inc RAD & CX	SC&H	ELL exc Schools	HOUSING	R&C	TOTAL
Non-Staff Revenue Costs	3,480,325	1,603,230	862,072	927,765	1,462,333	8,335,724
Capital Charges	15,901	7,654	0	68,152	3,468	95,175
Staff Costs	3,174,052	629,774	215,772	671,335	658,665	5,349,598
Overheads	540,667	181,619	87,366	135,141	115,003	1,059,797
TOTAL	**7,210,945**	**2,422,277**	**1,165,210**	**1,802,393**	**2,239,469**	**14,840,294**

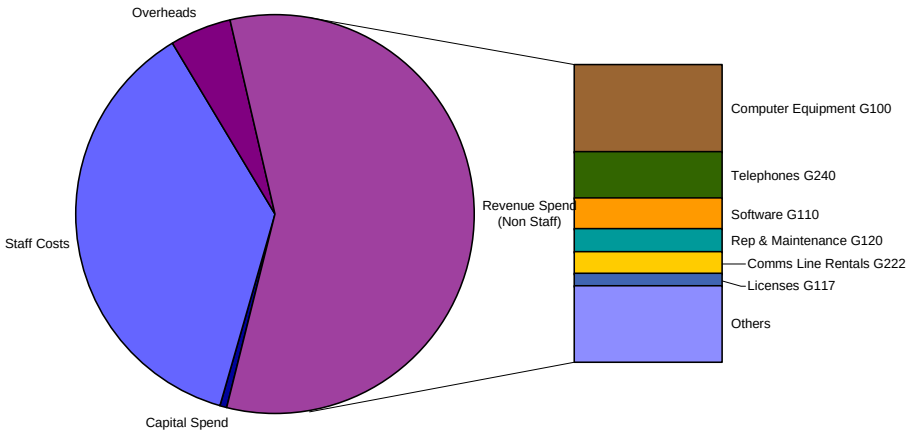
A full breakdown of the methodology is provided in Appendix 5.

Graphical breakdowns of these figures are supplied below. Further analysis of these figures will be undertaken as part of the business case development.

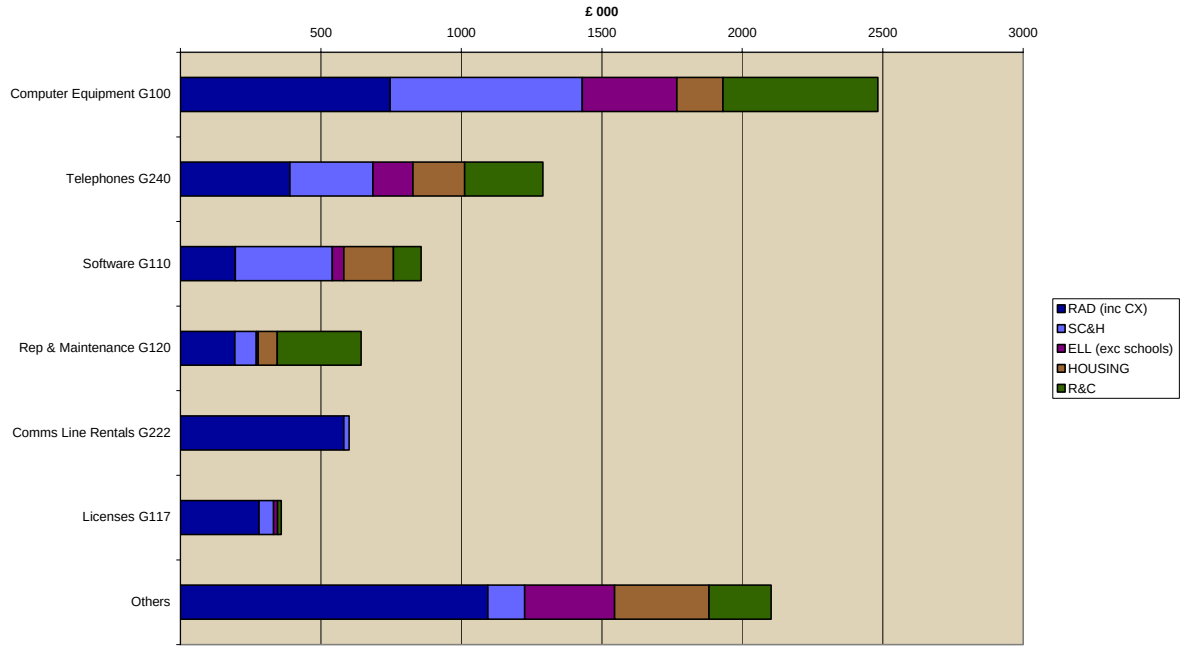
ICT Costs by Department



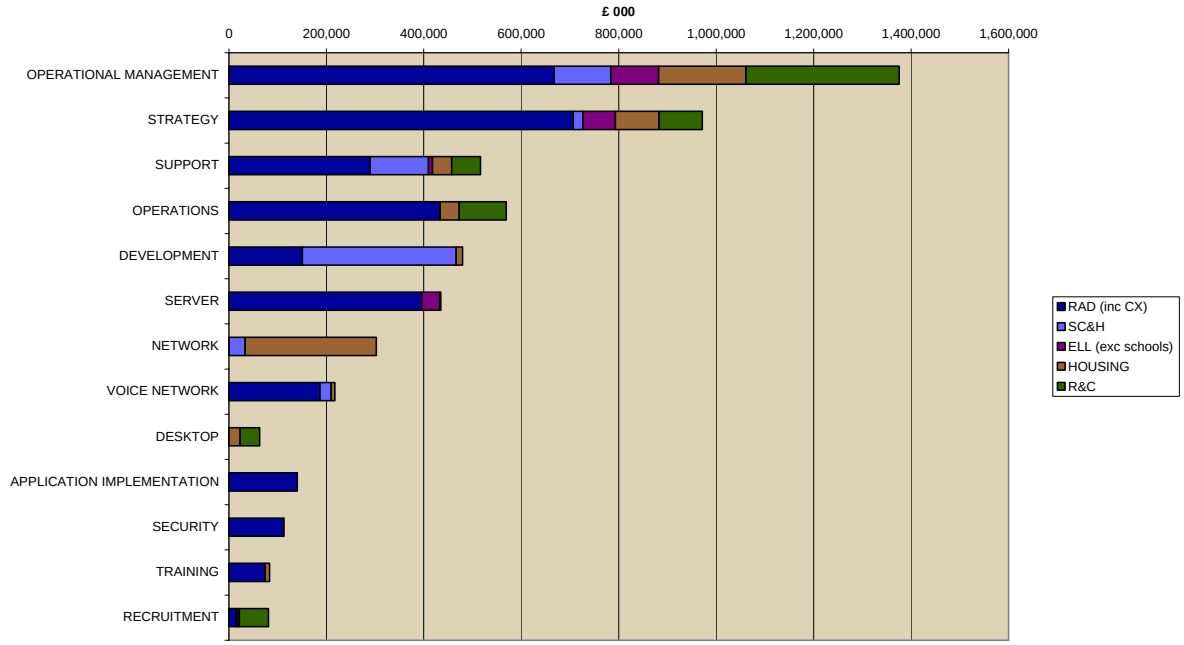
Spend By Area



Non-Staff Revenue Spend by Category



Staff Costs by Area



4.1.4 Benchmarking

Figures for Leicester have been compared with benchmark figures provided and published by SOCITM. The calculation of TCOs by SOCITM in 2004/5 was based primarily on budget figures and not actuals. SOCITM have recognised that is not satisfactory and current year data collection has changed. The total cost figure used for Leicester in these comparisons is therefore £12.58M which is based on budgeted figures.

All figures 2004/5	Leicester City	SOCITM Summary Report 2005 (13 English Unitary Councils)[2].	SOCITM UK1/SW Study 2004 (8 English Unitary Councils)[3]
% budget spent on ICT	2.50%	2.17%	2.07%
ICT spend per head of population	£44	£33	£30
ICT spend per user	£1,431	£1,783	£1,587
ICT spend per employee	£2,216	N/A	£1,994
ICT spend per workstation	£2,148	N/A	£1,965
Central/Departmental Expenditure Split	Central – 49% Departments – 51%	Central – 74% Departments – 26%	N/A
Employees (FTEs including office based workers, school administrators and Elected Members)	5678		
Users (headcount – as above)	8791		
Workstations	5858		
Revenue Expenditure[4]	£431,741,000		
Population	283,600		
TCO – Actual	£14,840,298		
TCO - Budget based	£12,580,298		

Generally the benchmark figures suggest that the cost of ICT in the Council is high. For example when comparing ICT expenditure as a proportion of Revenue Expenditure, the English Unitary average is 2.17% while the figure for Leicester is 2.50%, a fairly significant difference of 15%, equating to £1.4M. The difference between ICT spend per head of population is also significant at over 30%.

Interestingly the figure which compares ICT expenditure per user suggests that the Council is more efficient, with the Leicester expenditure per user at £1,431 while the average for the two SOCITM surveys being between £1,587 and £1,783. However figures for cost per workstation and employee would indicate that this may be driven by some difference in the total head count at Leicester rather than the costs.

The final benchmark compares the proportion of ICT expenditure which is central as compared to Departments. Again the figure for Leicester is significantly different, with just

[12] Benchmarking the ICT service: summary for 2004. A SOCITM Insight publication 2005
[3] This information has been supplied directly by SOCITM.
[4] This figure is taken from Cipfa Finance and General Statistics 2004/5 column 106 which for Leicester was £431,741,000. This figure excludes HRA and therefore we have excluded housing ICT expenditure in this calculation.

under 50% of ICT expenditure through the Central Unit while the average for English Unitaries is over 70%. The reasons for this are a combination of the structure and developed budget system employed at the Council.

4.2 Conclusions

As demonstrated by the benchmarks, the total cost of ICT at the Council is high. This in its self should not be considered an issue if ICT expenditure was delivering significant added value.

Almost as significant as the results was the level of difficulty involved in gathering the actual figures. Due to the devolved budgets, recharge process and hybrid structure, the overall costs of ICT within the organisation are not well understood. There is an overall lack of ownership for the total cost of ICT.

We believe the main reasons for these increased costs are the delivery structure, divergence in technology and a lack of one person with responsibility and ownership for the whole of ICT in the Council.

5 ICT SYSTEMS ASSESSMENT

5.1 Introduction

The objective of this ICT Systems Assessment is to assess the existing technology environment within the Council at a high level, and analyse whether any major issues exist and identify opportunities for cost reductions.

5.2 Software Assessment

The Audit Commission Baseline IT Risk Assessment performs an audit of the various software packages deployed on the council sites. Combining this information with that obtained through the interviews, a list of possible issues resulting from the current software environment has been compiled.

Network Operating Environment Issues	Result
Multiple server operating systems from multiple vendors (Microsoft Windows, Novell Netware, IBM OS/400, Sun Solaris)	• Increased administration costs and staff count • Increased support costs and staff count • Do not maximise economies of scale • Risk of loss of knowledge • Increased difficulty of software integration • No universal log on – leading to decreased productivity, system integration and increased staff confusion

Desktop Operating Environment Issues	Result
Multiple desktop operating systems (Microsoft 95, 98, ME, 2000, XP)	• Increased administration costs and staff count • Increased support costs and staff count • Do not maximise economies of scale • Increased difficulty of software deployment • Increased complexity of software selection and integration

Corporate Applications Issues	Result
Legacy issues arising from previous fragmentation of desktop O/S and office/business applications)	• Increased administration costs and staff count • Increased support costs and staff count • Do not maximise economies of scale • Increased difficulty of software deployment
No standardised Customer Management application in use across the authority – departments hold their own customer data as well as the Customer Services Centre.	• Difficulties sharing information between packages • Difficult to achieve joined-up government • Decreased end-user experience
Different EDMS deployed between departments	• Increased support costs • Do not maximise economies of scale • Decreased integration

NB: A summary review of business applications has been completed as part of the Baseline IT Risk Assessment in November 2005 and this information is not repeated here.

5.3 Hardware Assessment

Based on the Baseline IT Risk Assessment and interviews, the following issues were identified:

Server Issues	Impact
Split of server platforms between IBM mainframes, SUN Unix servers, and PC servers from different manufacturers (although current efforts to consolidate).	• Increased administration costs and staff count • Increased support costs and staff count • Increased cost of BCP • Do not maximise economies of scale • Risk of loss of knowledge

Desktop Issues	Impact
Legacy issues arising from previous lack of standards around desktop specification or desktop renewal strategy. There is a very wide range of desktops in use from various suppliers, although lately there has been some standardisation around Dell. Some 'budget' brand PCs are in use, and there is a wide age range from new to in excess of 5+ years old. Recent proposals to standardise on a four year replacement cycle have not been implemented.	• Increased administration costs and staff count • Increased support costs and staff count • Do not maximise economies of scale • Uncertainty when selecting corporate software as no baseline specification

5.4 Projects Assessment

The Council has adopted PRINCE2 as a project management standard, but as reflected by the interviews, there may be some inconsistency in the application of the standard. We were also unable to find evidence of a programme framework used to identify key synergies in ICT projects as part of an overall inter-departmental strategy. Project management capacity is also thought to be an issue.

SOCITM has assessed the ability of the Council to deliver projects, using a Project Success Index, weighted to a maximum of 100, which takes into account actual project performance against critical success factors. According to the SOCITM Insight Service Delivery Review carried out in 2004, the Council's Index rated at 71 compared to an average of 83, and within the bottom 30 percent of recorded councils.

An internal best value review of project delivery within the Council was also performed in 2002 which identified the following issues:

Issue	Impact
Insufficient PM human resources	Project staff overstretched, often having to perform operational tasks in priority to project activities
Poor planning	Insufficient time to complete each stage of the project, absence of risk management, lack of capacity management
Poor systems specifications	Customer and supplier have different views over project outcomes
Lack of accountability & authority	Many projects falter, contracts not enforced, inadequate practical advice

Evidence taken from interviews suggest that these issues are currently still in evidence, as little progress was made to follow-up advice presented in the best-value review. In addition, the following issues have been identified:

Issue	Impact
Lack of centralised project control mechanisms (e.g. project dashboard)	Lack of management visibility of projects, no management by exception, project failures hidden
No formal capacity management process	Projects undertaken without full understanding of HR constraints

No standardised accounting for man-day costs, insufficient consideration of staff costs	HR costs are not fully or consistently accounted for in project budgets. Impact of time overruns do not reflect on project costs
No standardised method of measuring project value	If ROI or NPV models are not used, the capacity to prioritise projects based on value is compromised
Many projects unable to demonstrate value beyond strategic significance	Benefits of ICT implementations not well understood

5.4.1 Current ICT Projects

The table below covers corporate ICT projects currently being undertaken.

Name of Project	Description	Budget	Lead
WAN Modernisation	Upgrade wide area network links to provided greater bandwidth and improved resilience	£600,000	Peter Kay – ICT Services
LAN Modernisation	Replace old network devices	£100,000	Peter Kay – ICT Services
Government Connect	Implementing e-payments, authentication of online customers, secure email exchange between public services and secure exchange of data using LGOL-Net	£100,000	Ismail Vania – ICT Services
Internet Page Update	Improve the Council's Internet Website	£60,000	Steve Scott – Web Manager
Intranet Page Update	Improve the Council's Intranet Website	£20,000	Steve Scott – Web Manager
Performance Management Database	Implement a corporate Performance Management System	£80,000	Geoff Payne – Chief Executive Office
Resource Management System	Replacing Financial Management systems (including PAMIS replacement)	£2.65m	Paul Robinson – Finance
Work Where We Want	A number of projects involving flexible and mobile working ICT solutions	£10000 (ICT Services)	Anne Mather – ICT Services
BCP/DR Review	Review and improve existing business continuity and disaster recovery arrangements	N/A (est £100,000+)	John Doyle – ICT Services

In addition to the above list, there are several other ICT projects being implemented departmentally. This demonstrates the considerable costs currently associated with ICT projects, and the potential risk that is involved if these are ineffectively managed.

APPENDIX 1: BIBLIOGRAPHY

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- Audit Commission Baseline IT Risk Assessment Leicester City Council Audit 2005-2006
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- Internal Audit Review of Implementing ICT Change Part of the ICT Best Value Review Final Report September 2002
- Total Cost of Ownership: A Review of the Literature – A report to the DfES by Peter Scrimshaw
- Leicester City Council's ICT and e-Modernising Leicester Strategic Framework March 2004-March 2007
- e-Modernising Leicester Strategy
- Core Systems Strategy
- ICT @ Leicester
- ICT budgets 04-05
- ICT cost analysis 04-05
- 2005-2006 Baseline IT Risk Assessment, Audit Commission
- ICT Strategy v1.14
- LCC Intranet strategy
- e-Modernising Leicester v0.16
- Departmental ICT Strategy Framework
- IEG 5 statement
- Customer Access Strategy.

APPENDIX 2: INTERVIEW QUESTIONNAIRE QUESTIONS

ICT STRATEGY	
1a	A corporate ICT strategy has been developed and implemented within the organisation
1b	Corporate ICT strategy is clearly communicated and understood within the ICT department
1c	Corporate ICT strategy is clearly communicated and understood within the entire organisation
1d	Corporate ICT strategy is aligned with the needs of the organisation
1e	ICT strategy minimises duplication of effort and unnecessary expenditure
2a	Correct use of ICT enables the organisation to provide improved services
2b	ICT policy is viewed as a priority within the organisation
2c	There is sufficient investment in ICT to ensure the provision of improved services
BUSINESS ENGAGEMENT	
3a	ICT is integral to the development of the strategy and objectives within the organisation
3b	Other departments actively consult with corporate ICT in order to improve service delivery
4a	ICT policies and procedures are widely disseminated and well understood
4b	There are good relationships between corporate ICT and other departments
4c	There are clear points of contact between corporate ICT and other departments
4d	There is dialogue between corporate ICT and all levels of the organisation in order to support business improvement
5a	Effective change management procedures are used in all ICT implementations
5b	ICT is used as a driver for change for business processes within the organisation
5c	A formal ICT change management framework is present throughout the organisation
GOVERNANCE	
6a	The roles and responsibilities within central and departmental ICT are clearly defined and understood
6b	At least one member includes ICT in their portfolio
6c	ICT policy is understood and discussed at the highest levels of the organisation
6d	Members are positively engaged with ICT
7a	ICT implementations are supported by relevant business cases
7b	ICT implementations are evaluated to ensure their benefits are being realised
7c	ICT implementations are subject to both TCO (Total Cost of Ownership) and ROI (Return on Investment) review
ICT ARCHITECTURE MANAGEMENT	
8a	The technical architecture within the organisation is mapped and documentation is current
8b	Risks to the organisation's ICT have been identified and contingencies implemented
8c	There are documented policies in place to manage updates to ICT architecture (e.g. e-GIF)
8d	Technical architecture plans are aligned to future business strategy and interoperability standards
9	The technical architecture does not impose restrictions on the delivery of essential enterprise applications
CONFIGURATION, DEVELOPMENT AND INTEGRATION	
10a	There are clear and consistently used guidelines in place for the development, customisation and integration of applications
10b	There is a documented library of technical specifications for all configured applications
11	There is a knowledge base for configured applications
TECHNICAL OPINION	
T1	ICT hardware resources should be consolidated to a central location
T2	ICT staff resources should be consolidated to a central location

T3	ICT consolidation poses a significant risk to the services provided to the organisation (internal customers)
T4	ICT consolidation poses a significant risk to the services provided by the organisation (external customers)
T5	ICT technology selection is objective and considers best of breed technology

INFORMATION MANAGEMENT AND SECURITY

12a	There are standards for the management of information to ensure compliance with government standards (e.g. FOI, Data Protection)
12b	There is a corporate information strategy which documents how information will be used and protected
13	Security standards and policies have been clearly defined

PERFORMANCE MANAGEMENT

14a	Service Level Agreements (SLAs) exist between central ICT and organisational departments
14b	SLAs are regularly measured and reviewed
14c	SLAs address customer satisfaction levels
14d	There is a process of continuous service level improvement within a standard framework (e.g. ITIL)

STRATEGIC SOURCING AND SUPPLIER MANAGEMENT

15a	There is an efficient and effective sourcing process for ICT goods and services which has been agreed across the whole organisation
15b	The organisation has taken opportunities to consolidate ICT suppliers to ensure economies of scale
15c	There is a sourcing strategy in place which is regularly reviewed in order to provide best value for money
16a	Suppliers are assessed against Key Performance Indicators (KPIs) and regularly reviewed
16b	There is a strategy to manage long term relationships with suppliers in order to obtain best value

PROGRAMME AND PROJECT MANAGEMENT

17a	The organisation has implemented project management methodologies to deliver ICT projects (e.g. PRINCE2)
17b	There are consistent standards of project management throughout the organisation
17c	There is a continuous improvement review of project management capability, ensuring benefits realisation
18a	The organisation has agreed and implemented formal process to ensure successful delivery of groups of projects
18b	The organisation has adopted a best-practice approach to program management which spans across different departments

SKILLS MANAGEMENT

19a	The organisation provides sufficient ICT training in order for you to perform well in your job
19b	The organisation provides sufficient ICT training in order for others in the organisation to perform well in their jobs
19c	The organisation is responsive in identifying ICT training requirements
20	The organisation promotes ICT training and actively encourages staff of all competencies to develop ICT skills

SERVICE DELIVERY

21a	The organisation has reviewed its ICT delivery against industry best practice guidance (e.g. ITIL)
21b	The organisation reacts to gaps between current ICT delivery and industry best practice
21c	ICT service management is proactive in supporting the needs of the organisation, and has a focus on continuous improvement

ICT SUPPORT

22a	ICT support provision has been reviewed against best practice and plans have been developed to minimise any gaps
22b	ICT support is being improved to meet industry best practice

22c	ICT support is continuously being reviewed and improved according to the organisation's requirements

USER OPINION

23	Corporate ICT services meet my expectations as a user/supplier
24	Corporate ICT services provide a time and cost efficient service
25	The organisation actively follows best-practice guidelines e.g. ITIL, BS7799, BS15000
26	ICT service delivery would be improved by increased outsourcing
27	ICT service delivery is consistent throughout the organisation
28	The current ICT organisational structure is able to meet the requirements of the organisation

SWOT	
29	What are the strengths of the ICT within the organisation?
30	What are the weaknesses of ICT within the organisation
31	What opportunities exist in the application if ICT within the organisation
32	What threats may ICT strategy, policy or procedures present to the organisation
33	What is your overall view of ICT within the Organisation?

APPENDIX 3: INTERVIEW RESULTS SUMMARY

ICT Strategy

There is an agreed understanding of how ICT will be used to support the organisation

1a A corporate ICT strategy has been developed and implemented within the organisation

NeSDS Level: Minimum

Number of Responses:	**25**			
Number of Agree:	**8**	**% Agree:**	**32.0**	
Number of Neutral:	**11**	**% Neutral:**	**44.0**	**NEUTRAL**
Number of Disagree:	**6**	**% Disagree:**	**24.0**	

1b Corporate ICT strategy is clearly communicated and understood within the ICT department

NeSDS Level: Minimum

Number of Responses:	**24**			
Number of Agree:	**12**	**% Agree:**	**50.0**	**AGREED**
Number of Neutral:	**7**	**% Neutral:**	**29.2**	
Number of Disagree:	**5**	**% Disagree:**	**20.8**	

1c Corporate ICT strategy is clearly communicated and understood within the entire organisation

NeSDS Level: Minimum

Number of Responses:	**22**			
Number of Agree:	**1**	**% Agree:**	**4.5**	
Number of Neutral:	**1**	**% Neutral:**	**4.5**	
Number of Disagree:	**19**	**% Disagree:**	**86.4**	**DISAGREED**

1d Corporate ICT strategy is aligned with the needs of the organisation

NeSDS Level: Minimum

Number of Responses:	**22**			
Number of Agree:	**9**	**% Agree:**	**40.9**	
Number of Neutral:	**4**	**% Neutral:**	**18.2**	**NEUTRAL**
Number of Disagree:	**9**	**% Disagree:**	**40.9**	

1e ICT strategy minimises duplication of effort and unnecessary expenditure

NeSDS Level: Minimum

Number of Responses:	**23**			
Number of Agree:	**3**	**% Agree:**	**13.0**	
Number of Neutral:	**6**	**% Neutral:**	**26.1**	
Number of Disagree:	**14**	**% Disagree:**	**60.9**	**DISAGREED**

2a Correct use of ICT enables the organisation to provide improved services

NeSDS Level: Progressing

Number of Responses:	**19**			
Number of Agree:	**12**	**% Agree:**	**63.2**	**AGREED**
Number of Neutral:	**5**	**% Neutral:**	**26.3**	
Number of Disagree:	**2**	**% Disagree:**	**10.5**	

2b ICT policy is viewed as a priority within the organisation

NeSDS Level: Progressing

Number of Responses:	**24**			
Number of Agree:	**2**	**% Agree:**	**8.3**	
Number of Neutral:	**6**	**% Neutral:**	**25.0**	
Number of Disagree:	**16**	**% Disagree:**	**66.7**	**DISAGREED**

2c There is sufficient investment in ICT to ensure the provision of improved services

NeSDS Level: Progressing

Number of Responses:	**27**			
Number of Agree:	**5**	**% Agree:**	**18.5**	
Number of Neutral:	**5**	**% Neutral:**	**18.5**	
Number of Disagree:	**17**	**% Disagree:**	**63.0**	**DISAGREED**

3a ICT is integral to the development of the strategy and objectives within the organisation

NeSDS Level: Excellent

Number of Responses:	**23**			
Number of Agree:	**12**	**% Agree:**	**52.2**	**AGREED**
Number of Neutral:	**4**	**% Neutral:**	**17.4**	
Number of Disagree:	**7**	**% Disagree:**	**30.4**	

3b Other departments actively consult with corporate ICT in order to improve service delivery

NeSDS Level: Excellent

Number of Responses:	**23**			
Number of Agree:	**5**	**% Agree:**	**21.7**	
Number of Neutral:	**7**	**% Neutral:**	**30.4**	
Number of Disagree:	**11**	**% Disagree:**	**47.8**	**DISAGREED**

Business Engagement

The ICT service manages its relationships with all stakeholders

4a ICT policies and procedures are widely disseminated and well understood

NeSDS Level: Minimum

Number of Responses:	**22**			
Number of Agree:	**5**	**% Agree:**	**22.7**	
Number of Neutral:	**9**	**% Neutral:**	**40.9**	**NEUTRAL**
Number of Disagree:	**8**	**% Disagree:**	**36.4**	

4b There are good relationships between corporate ICT and other departments

NeSDS Level: Minimum

Number of Responses:	**23**			
Number of Agree:	**6**	**% Agree:**	**26.1**	
Number of Neutral:	**11**	**% Neutral:**	**47.8**	**NEUTRAL**
Number of Disagree:	**6**	**% Disagree:**	**26.1**	

4c There are clear points of contact between corporate ICT and other departments

NeSDS Level: Progressing

Number of Responses:	**22**			
Number of Agree:	**10**	**% Agree:**	**45.5**	**AGREED**
Number of Neutral:	**5**	**% Neutral:**	**22.7**	
Number of Disagree:	**7**	**% Disagree:**	**31.8**	

4d There is dialogue between corporate ICT and all levels of the organisation in order to support business improvement

NeSDS Level: Excellent

Number of Responses:	**24**			
Number of Agree:	**8**	**% Agree:**	**33.3**	
Number of Neutral:	**9**	**% Neutral:**	**37.5**	**NEUTRAL**
Number of Disagree:	**7**	**% Disagree:**	**29.2**	

Business Change is actively managed alongside ICT implementation

5a Effective change management procedures are used in all ICT implementations

NeSDS Level: Minimum

Number of Responses:	**22**			
Number of Agree:	**7**	**% Agree:**	**31.8**	
Number of Neutral:	**9**	**% Neutral:**	**40.9**	**NEUTRAL**
Number of Disagree:	**6**	**% Disagree:**	**27.3**	

5b ICT is used as a driver for change for business processes within the organisation

NeSDS Level: Progressing

Number of Responses:	**22**			
Number of Agree:	**5**	**% Agree:**	**22.7**	
Number of Neutral:	**9**	**% Neutral:**	**40.9**	**NEUTRAL**
Number of Disagree:	**8**	**% Disagree:**	**36.4**	

5c A formal ICT change management framework is present throughout the organisation

NeSDS Level: Excellent

Number of Responses:	**19**			
Number of Agree:	**2**	**% Agree:**	**10.5**	
Number of Neutral:	**3**	**% Neutral:**	**15.8**	
Number of Disagree:	**14**	**% Disagree:**	**73.7**	**DISAGREED**

Governance

ICT is subject to robust governance

6a The roles and responsibilities within central and departmental ICT are clearly defined and understood

NeSDS Level: Minimum

Number of Responses:	**24**			
Number of Agree:	**10**	**% Agree:**	**41.7**	**AGREED**
Number of Neutral:	**11**	**% Neutral:**	**45.8**	
Number of Disagree:	**3**	**% Disagree:**	**12.5**	

6b ICT policy is understood and discussed at the highest levels of the organisation

NeSDS Level: Excellent

Number of Responses:	**22**			
Number of Agree:	**6**	**% Agree:**	**27.3**	
Number of Neutral:	**6**	**% Neutral:**	**27.3**	
Number of Disagree:	**10**	**% Disagree:**	**45.5**	**DISAGREED**

6c Members are positively engaged with ICT

NeSDS Level: Excellent

Number of Responses:	**24**			
Number of Agree:	**7**	**% Agree:**	**29.2**	
Number of Neutral:	**8**	**% Neutral:**	**33.3**	**NEUTRAL**
Number of Disagree:	**9**	**% Disagree:**	**37.5**	

6d At least one member includes ICT in their portfolio

NeSDS Level: Minimum

Number of Responses:	**30**			
Number of Agree:	**30**	**% Agree:**	**100.0**	**AGREED**
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**0**	**% Disagree:**	**0.0**	

There is a business case approach to ICT investment

7a ICT implementations are supported by relevant business cases

NeSDS Level: Minimum

Number of Responses:	**26**			
Number of Agree:	**15**	**% Agree:**	**57.7**	**AGREED**
Number of Neutral:	**6**	**% Neutral:**	**23.1**	
Number of Disagree:	**5**	**% Disagree:**	**19.2**	

7b ICT implementations are evaluated to ensure their benefits are being realised

NeSDS Level: Excellent

Number of Responses:	**24**			
Number of Agree:	**7**	**% Agree:**	**29.2**	
Number of Neutral:	**7**	**% Neutral:**	**29.2**	**NEUTRAL**
Number of Disagree:	**10**	**% Disagree:**	**41.7**	

7c ICT implementations are subject to both TCO (Total Cost of Ownership) and ROI (Return on Investment) review

NeSDS Level: Excellent

Number of Responses:	**24**			
Number of Agree:	**2**	**% Agree:**	**8.3**	
Number of Neutral:	**5**	**% Neutral:**	**20.8**	
Number of Disagree:	**17**	**% Disagree:**	**70.8**	**DISAGREED**

ICT Architecture Management

The ICT service is in control of the current Technical Architecture

8a The technical architecture within the organisation is mapped and documentation is current

NeSDS Level: Minimum

Number of Responses:	**12**			
Number of Agree:	**6**	**% Agree:**	**50.0**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**16.7**	
Number of Disagree:	**4**	**% Disagree:**	**33.3**	

8b Risks to the organisation's ICT have been identified and contingencies implemented

NeSDS Level: Minimum

Number of Responses:	**14**			
Number of Agree:	**6**	**% Agree:**	**42.9**	**AGREED**
Number of Neutral:	**7**	**% Neutral:**	**50.0**	
Number of Disagree:	**1**	**% Disagree:**	**7.1**	

8c There are documented policies in place to manage updates to ICT architecture (e.g. e-GIF)

NeSDS Level: Progressing

Number of Responses:	**11**			
Number of Agree:	**3**	**% Agree:**	**27.3**	
Number of Neutral:	**4**	**% Neutral:**	**36.4**	**NEUTRAL**
Number of Disagree:	**4**	**% Disagree:**	**36.4**	

8d Technical architecture plans are aligned to future business strategy and interoperability standards

NeSDS Level: Excellent

Number of Responses:	**10**			
Number of Agree:	**3**	**% Agree:**	**30.0**	
Number of Neutral:	**2**	**% Neutral:**	**20.0**	
Number of Disagree:	**5**	**% Disagree:**	**50.0**	**DISAGREED**

The Technical Architecture supports the delivery of priority outcomes

9 The technical architecture does not impose restrictions on the delivery of essential enterprise applications

NeSDS Level: Minimum

Number of Responses:	**10**			
Number of Agree:	**5**	**% Agree:**	**50.0**	**AGREED**
Number of Neutral:	**4**	**% Neutral:**	**40.0**	
Number of Disagree:	**1**	**% Disagree:**	**10.0**	

Configuration, Development and Integration

There is a rigorous and consistent approach to configuration, development and integration activity

10a There are clear and consistently used guidelines in place for the development, customisation and integration of applications

NeSDS Level: Minimum

Number of Responses:	**9**			
Number of Agree:	**2**	**% Agree:**	**22.2**	
Number of Neutral:	**4**	**% Neutral:**	**44.4**	**NEUTRAL**
Number of Disagree:	**3**	**% Disagree:**	**33.3**	

10b There is a documented library of technical specifications for all configured applications

NeSDS Level: Minimum

Number of Responses:	**8**			
Number of Agree:	**1**	**% Agree:**	**12.5**	
Number of Neutral:	**1**	**% Neutral:**	**12.5**	
Number of Disagree:	**6**	**% Disagree:**	**75.0**	**DISAGREED**

11 There is a knowledge base for configured applications

NeSDS Level: Excellent

Number of Responses:	**8**			
Number of Agree:	**1**	**% Agree:**	**12.5**	
Number of Neutral:	**1**	**% Neutral:**	**12.5**	
Number of Disagree:	**6**	**% Disagree:**	**75.0**	**DISAGREED**

Information Management

The organisation has an information management strategy

12a There are standards for the management of information to ensure compliance with government standards (e.g. FOI, Data Protection)

NeSDS Level: Minimum

Number of Responses:	**20**			
Number of Agree:	**16**	**% Agree:**	**80.0**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**10.0**	
Number of Disagree:	**2**	**% Disagree:**	**10.0**	

12b There is a corporate information strategy which documents how information will be used and protected

NeSDS Level: Excellent

Number of Responses:	**20**			
Number of Agree:	**8**	**% Agree:**	**40.0**	
Number of Neutral:	**3**	**% Neutral:**	**15.0**	**NEUTRAL**
Number of Disagree:	**9**	**% Disagree:**	**45.0**	

Information Security

The organisation is planning for compliance to BS7799

13 Security standards and policies have been clearly defined

NeSDS Level: Minimum

Number of Responses:	**21**			
Number of Agree:	**11**	**% Agree:**	**52.4**	**AGREED**
Number of Neutral:	**4**	**% Neutral:**	**19.0**	
Number of Disagree:	**6**	**% Disagree:**	**28.6**	

13b The organisation is partially compliant to BS7799

NeSDS Level: Progressing

Number of Responses:	**30**			
Number of Agree:	**30**	**% Agree:**	**100.0**	**AGREED**
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**0**	**% Disagree:**	**0.0**	

13c The organisation is fully compliant to BS7799

NeSDS Level: Excellent

Number of Responses:	**30**			
Number of Agree:	**0**	**% Agree:**	**0.0**	
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**30**	**% Disagree:**	**100.0**	**DISAGREED**

Performance Management

The organisation has an ICT performance management framework

14a Service Level Agreements (SLAs) exist between central ICT and organisational departments

NeSDS Level: Minimum

Number of Responses:	**21**			
Number of Agree:	**17**	**% Agree:**	**81.0**	**AGREED**
Number of Neutral:	**3**	**% Neutral:**	**14.3**	
Number of Disagree:	**1**	**% Disagree:**	**4.8**	

14b SLAs are regularly measured and reviewed

NeSDS Level: Minimum

Number of Responses:	**18**			
Number of Agree:	**15**	**% Agree:**	**83.3**	**AGREED**
Number of Neutral:	**1**	**% Neutral:**	**5.6**	
Number of Disagree:	**2**	**% Disagree:**	**11.1**	

14c SLAs address customer satisfaction levels

NeSDS Level: Excellent

Number of Responses:	**17**			
Number of Agree:	**9**	**% Agree:**	**52.9**	**AGREED**
Number of Neutral:	**1**	**% Neutral:**	**5.9**	
Number of Disagree:	**7**	**% Disagree:**	**41.2**	

14d There is a process of continuous service level improvement within a standard framework (e.g. ITIL)

NeSDS Level: Excellent

Number of Responses:	**17**			
Number of Agree:	**3**	**% Agree:**	**17.6**	
Number of Neutral:	**5**	**% Neutral:**	**29.4**	
Number of Disagree:	**9**	**% Disagree:**	**52.9**	**DISAGREED**

Strategic Sourcing and Supplier Management

There is a strategic approach to ICT sourcing

15a There is an efficient and effective sourcing process for ICT goods and services which has been agreed across the whole organisation

NeSDS Level: Minimum

Number of Responses:	**20**			
Number of Agree:	**9**	**% Agree:**	**45.0**	**AGREED**
Number of Neutral:	**7**	**% Neutral:**	**35.0**	
Number of Disagree:	**4**	**% Disagree:**	**20.0**	

15b The organisation has taken opportunities to consolidate ICT suppliers to ensure economies of scale

NeSDS Level: Minimum

Number of Responses:	**17**			
Number of Agree:	**9**	**% Agree:**	**52.9**	**AGREED**
Number of Neutral:	**5**	**% Neutral:**	**29.4**	
Number of Disagree:	**3**	**% Disagree:**	**17.6**	

15c There is a sourcing strategy in place which is regularly reviewed in order to provide best value for money

NeSDS Level: Excellent

Number of Responses:	**17**			
Number of Agree:	**6**	**% Agree:**	**35.3**	
Number of Neutral:	**3**	**% Neutral:**	**17.6**	
Number of Disagree:	**8**	**% Disagree:**	**47.1**	**DISAGREED**

Supplier relationships are managed

16a Suppliers are assessed against Key Performance Indicators (KPIs) and regularly reviewed

NeSDS Level: Minimum

Number of Responses:	**10**			
Number of Agree:	**1**	**% Agree:**	**10.0**	
Number of Neutral:	**3**	**% Neutral:**	**30.0**	
Number of Disagree:	**6**	**% Disagree:**	**60.0**	**DISAGREED**

16b There is a strategy to manage long term relationships with suppliers in order to obtain best value

NeSDS Level: Excellent

Number of Responses:	**13**			
Number of Agree:	**4**	**% Agree:**	**30.8**	
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**9**	**% Disagree:**	**69.2**	**DISAGREED**

Programme and Project Management

The organisation has a programme management capability

18a The organisation has agreed and implemented formal process to ensure successful delivery of groups of projects

NeSDS Level: Minimum

Number of Responses:	**18**			
Number of Agree:	**10**	**% Agree:**	**55.6**	**AGREED**
Number of Neutral:	**3**	**% Neutral:**	**16.7**	
Number of Disagree:	**5**	**% Disagree:**	**27.8**	

18b The organisation has adopted a best-practice approach to program management which spans across different departments

NeSDS Level: Excellent

Number of Responses:	**17**			
Number of Agree:	**3**	**% Agree:**	**17.6**	
Number of Neutral:	**4**	**% Neutral:**	**23.5**	
Number of Disagree:	**10**	**% Disagree:**	**58.8**	**DISAGREED**

The organisation has a project management capability

17a The organisation has implemented project management methodologies to deliver ICT projects (e.g. PRINCE2)

NeSDS Level: Minimum

Number of Responses:	**20**			
Number of Agree:	**16**	**% Agree:**	**80.0**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**10.0**	
Number of Disagree:	**2**	**% Disagree:**	**10.0**	

17b There are consistent standards of project management throughout the organisation

NeSDS Level: Progressing

Number of Responses:	**20**			
Number of Agree:	**10**	**% Agree:**	**50.0**	**AGREED**
Number of Neutral:	**6**	**% Neutral:**	**30.0**	
Number of Disagree:	**4**	**% Disagree:**	**20.0**	

17c There is a continuous improvement review of project management capability, ensuring benefits realisation

NeSDS Level: Excellent

Number of Responses:	**19**			
Number of Agree:	**8**	**% Agree:**	**42.1**	
Number of Neutral:	**3**	**% Neutral:**	**15.8**	**NEUTRAL**
Number of Disagree:	**8**	**% Disagree:**	**42.1**	

Skills Management

All employees are given the opportunity to become confident and competent in using ICT

19a The organisation provides sufficient ICT training in order for you to perform effectively

NeSDS Level: Minimum

Number of Responses:	**20**			
Number of Agree:	**18**	**% Agree:**	**90.0**	**AGREED**
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**2**	**% Disagree:**	**10.0**	

19b The organisation provides sufficient ICT training in order for others in the organisation to perform effectively

NeSDS Level: Excellent

Number of Responses:	**21**			
Number of Agree:	**16**	**% Agree:**	**76.2**	**AGREED**
Number of Neutral:	**3**	**% Neutral:**	**14.3**	
Number of Disagree:	**2**	**% Disagree:**	**9.5**	

ICT staff development is managed

19c The organisation is responsive in identifying ICT training requirements

NeSDS Level: Progressing

Number of Responses:	**21**			
Number of Agree:	**14**	**% Agree:**	**66.7**	**AGREED**
Number of Neutral:	**4**	**% Neutral:**	**19.0**	
Number of Disagree:	**3**	**% Disagree:**	**14.3**	

20 The organisation promotes ICT training and actively encourages staff of all competencies to develop ICT skills

NeSDS Level: Progressing

Number of Responses:	**20**			
Number of Agree:	**14**	**% Agree:**	**70.0**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**10.0**	
Number of Disagree:	**4**	**% Disagree:**	**20.0**	

Service Delivery

There is a proactive service delivery model in place

21a The organisation has reviewed its ICT delivery against industry best practice guidance (e.g. ITIL)

NeSDS Level: Minimum

Number of Responses:	**14**			
Number of Agree:	**6**	**% Agree:**	**42.9**	
Number of Neutral:	**2**	**% Neutral:**	**14.3**	**NEUTRAL**
Number of Disagree:	**6**	**% Disagree:**	**42.9**	

21b The organisation reacts to gaps between current ICT delivery and industry best practice

NeSDS Level: Minimum

Number of Responses:	**14**			
Number of Agree:	**4**	**% Agree:**	**28.6**	
Number of Neutral:	**2**	**% Neutral:**	**14.3**	
Number of Disagree:	**8**	**% Disagree:**	**57.1**	**DISAGREED**

21c ICT service management is proactive in supporting the needs of the organisation, and has a focus on continuous improvement

NeSDS Level: Progressing

Number of Responses:	**13**			
Number of Agree:	**6**	**% Agree:**	**46.2**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**15.4**	
Number of Disagree:	**5**	**% Disagree:**	**38.5**	

21d The organisation is compliant to BS15000

NeSDS Level: Excellent

Number of Responses:	**30**			
Number of Agree:	**0**	**% Agree:**	**0.0**	
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**30**	**% Disagree:**	**100.0**	**DISAGREED**

Service Support

There is a responsive service support model in place

22a ICT support provision has been reviewed against best practice and plans have been developed to minimise any gaps

NeSDS Level: Minimum

Number of Responses:	**14**			
Number of Agree:	**6**	**% Agree:**	**42.9**	**AGREED**
Number of Neutral:	**4**	**% Neutral:**	**28.6**	
Number of Disagree:	**4**	**% Disagree:**	**28.6**	

22b ICT support is being improved to meet industry best practice

NeSDS Level: Progressing

Number of Responses:	**13**			
Number of Agree:	**7**	**% Agree:**	**53.8**	**AGREED**
Number of Neutral:	**0**	**% Neutral:**	**0.0**	
Number of Disagree:	**6**	**% Disagree:**	**46.2**	

22c ICT support is continuously being reviewed and improved according to the organisation's requirements

NeSDS Level: Excellent

Number of Responses:	**12**			
Number of Agree:	**7**	**% Agree:**	**58.3**	**AGREED**
Number of Neutral:	**2**	**% Neutral:**	**16.7**	
Number of Disagree:	**3**	**% Disagree:**	**25.0**	

APPENDIX 4: INTERVIEW RESULTS ANALYSIS

Summary of responses

General Opinion

Corporate ICT services meet my expectations as a user/supplier					
Agree	38%	Neutral	15%	Disagree	47%

The current ICT organisational structure is able to meet the requirements of the organisation					
Agree	0%	Neutral	16%	Disagree	84%

Corporate ICT services provide a cost efficient service					
Agree	27%	Neutral	27%	Disagree	46%

Corporate ICT services provide a time efficient service					
Agree	39%	Neutral	22%	Disagree	39%

ICT service delivery would be improved by increased outsourcing					
Agree	35%	Neutral	30%	Disagree	35%

ICT service delivery is consistent throughout the organisation					
Agree	0%	Neutral	0%	Disagree	100%

Technical Opinion

ICT hardware resources should be consolidated to a central location					
Agree	96%	Neutral	0%	Disagree	4%

ICT staff resources should be consolidated to a central location					
Agree	80%	Neutral	4%	Disagree	16%

ICT Strategy

There is an agreed understanding of how ICT will be used to support the organisation					
Agree	30%	Neutral	24%	Disagree	46%

Business Engagement

The ICT service manages its relationships with all stakeholders					
Agree	32%	Neutral	37%	Disagree	31%

Business Change is actively managed alongside ICT implementation					
Agree	22%	Neutral	33%	Disagree	45%

Governance

ICT is subject to robust governance					
Agree	53%	Neutral	25%	Disagree	22%

There is a business case approach to ICT investment					
Agree	32%	Neutral	24%	Disagree	44%

ICT Architecture Management

The ICT service is in control of the current Technical Architecture					
Agree	38%	Neutral	32%	Disagree	30%

The Technical Architecture supports the delivery of priority outcomes					
Agree	50%	Neutral	40%	Disagree	10%

Configuration, Development & Integration

There is a rigorous and consistent approach to configuration, development and integration					
Agree	16%	Neutral	24%	Disagree	60%

Information Management

The organisation has an information management strategy					
Agree	59%	Neutral	13%	Disagree	28%

Information Security

The organisation is planning for compliance to BS7799					
Agree	51%	Neutral	5%	Disagree	44%

Performance Management

The organisation has an ICT performance management framework					
Agree	60%	Neutral	14%	Disagree	26%

Strategic Sourcing and Supplier Management

There is a strategic approach to ICT sourcing					
Agree	44%	Neutral	28%	Disagree	28%

Supplier relationships are managed					
Agree	22%	Neutral	13%	Disagree	65%

Programme and Project Management

The organisation has a programme management capability					
Agree	37%	Neutral	20%	Disagree	43%

The organisation has a project management capability					
Agree	57%	Neutral	19%	Disagree	24%

Skills Management

All employees are given the opportunity to become proficient and confident in using ICT					
Agree	83%	Neutral	7%	Disagree	10%

ICT staff development is managed					
Agree	68%	Neutral	15%	Disagree	17%

Service Delivery

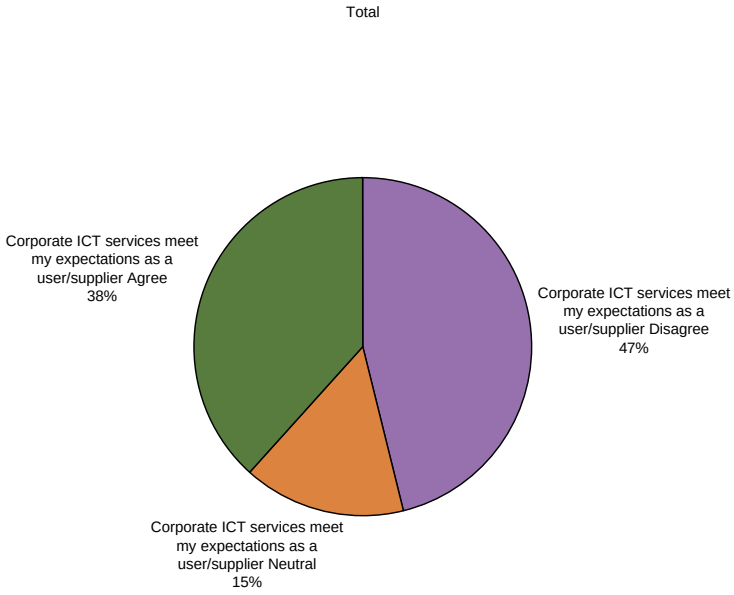
There is a proactive service delivery model in place					
Agree	23%	Neutral	8%	Disagree	69%

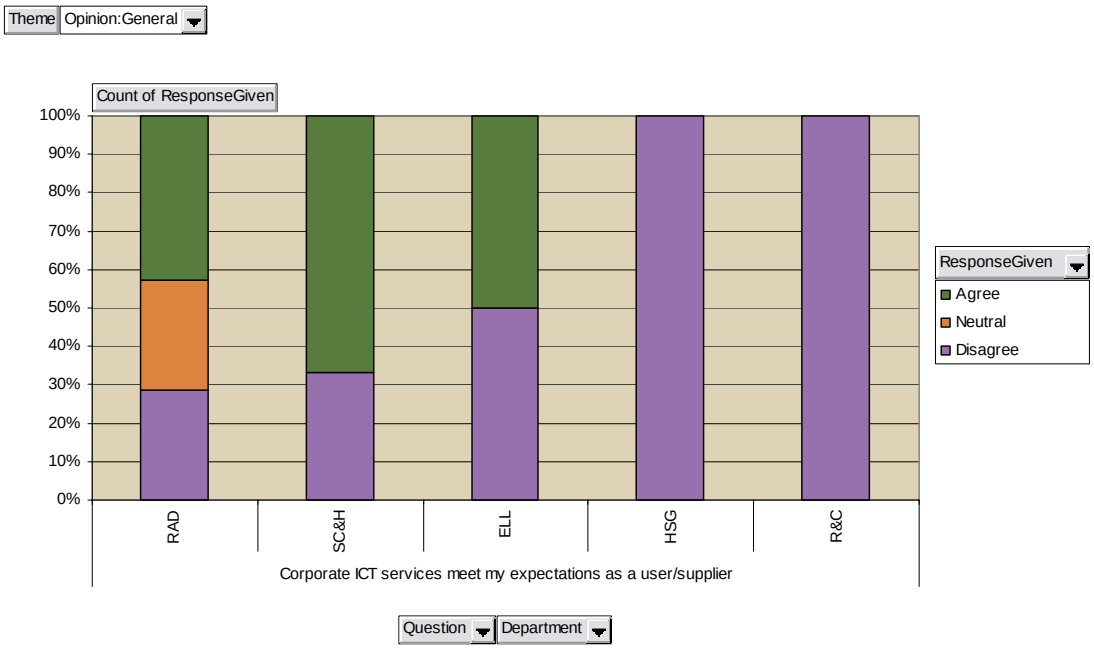
Service Support

There is a responsive service support model in place					
Agree	52%	Neutral	15%	Disagree	33%

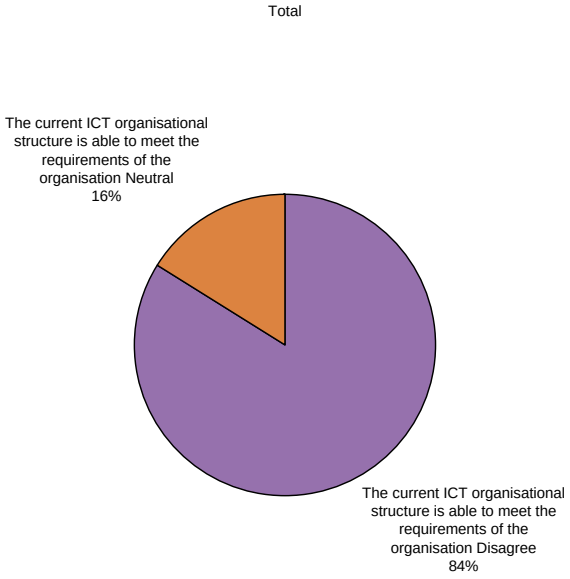
General Opinions Summary

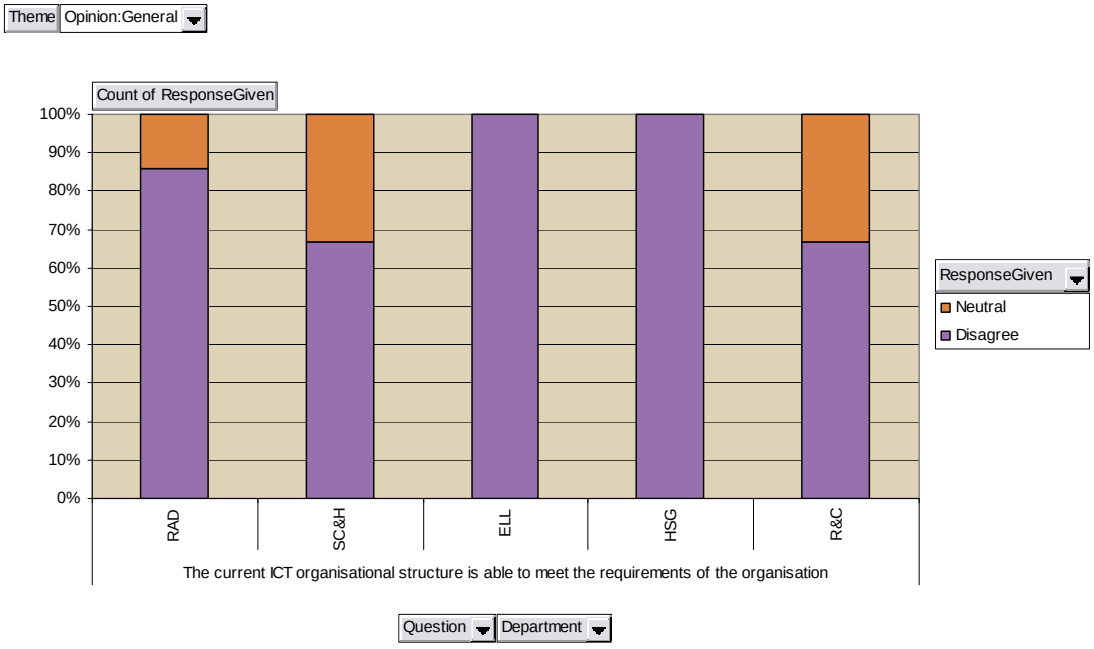
Corporate ICT services meet my expectations as a user/supplier



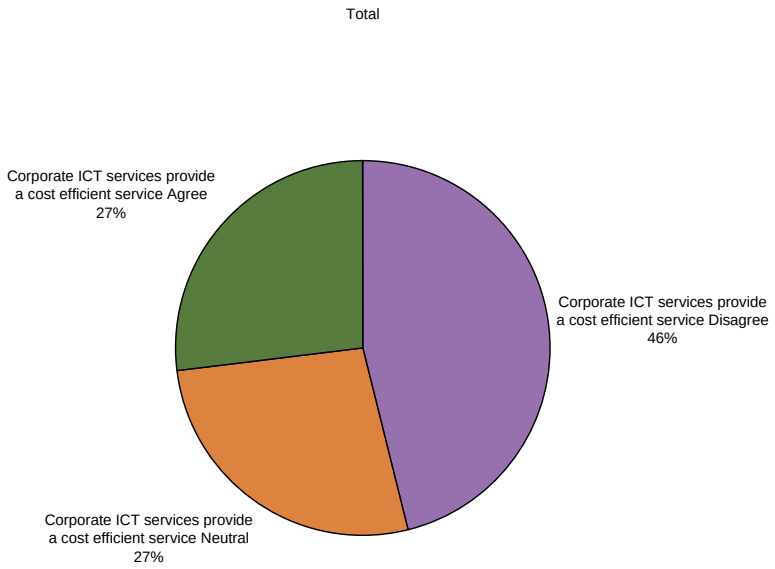


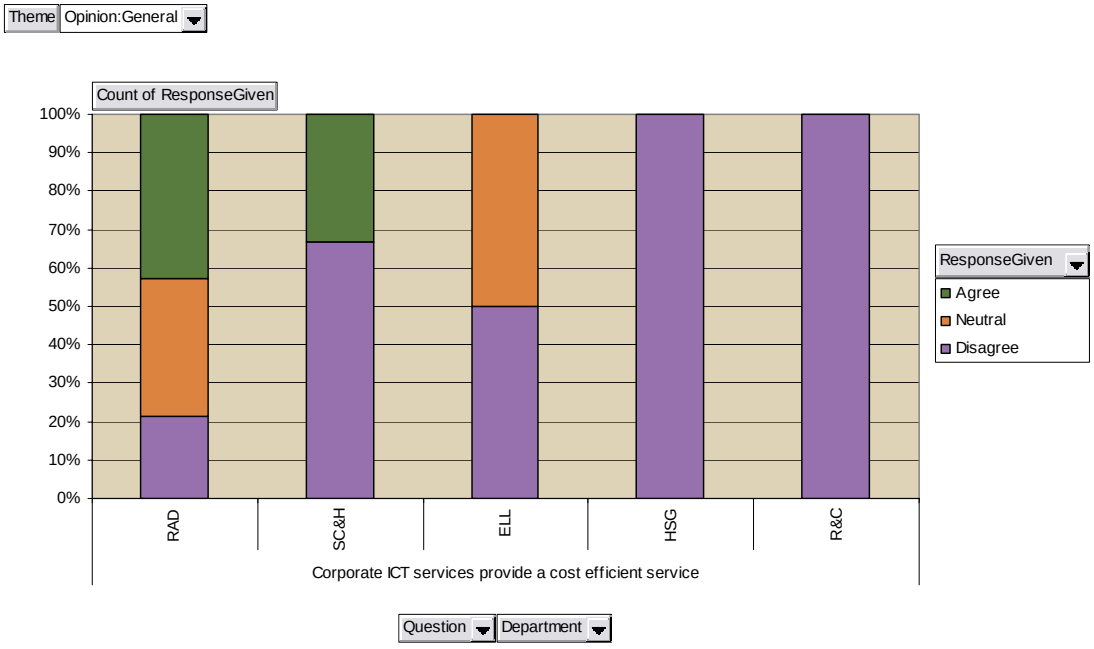
The current ICT organisational structure is able to meet the requirements of the organisation



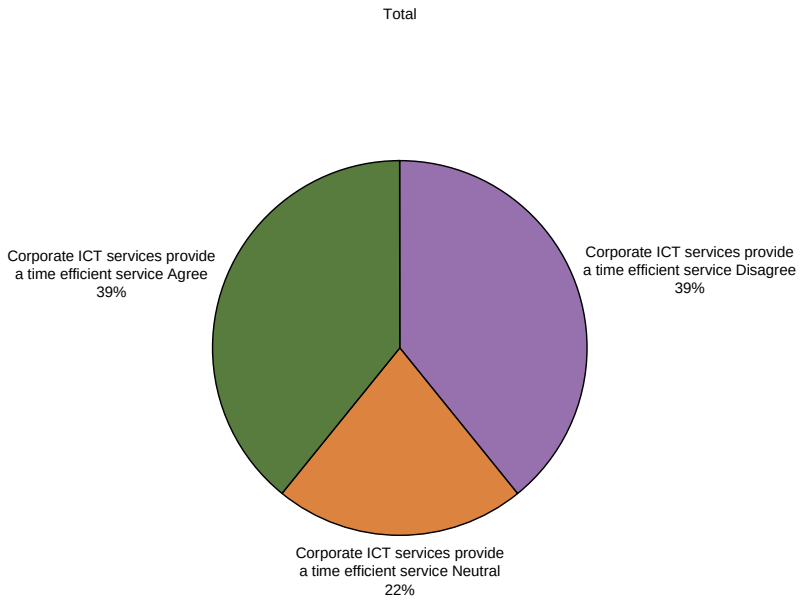


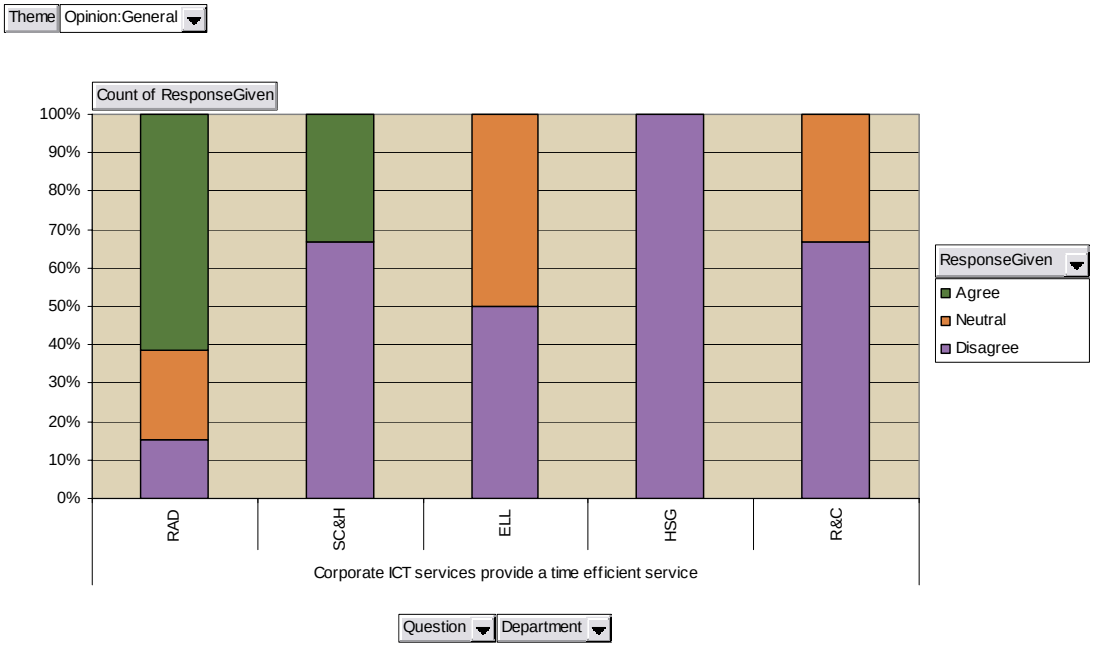
Corporate ICT services provide a cost efficient service



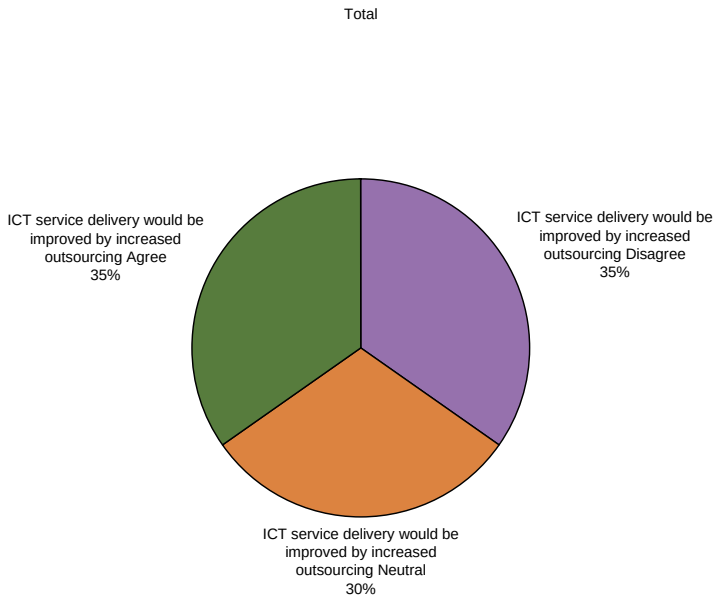


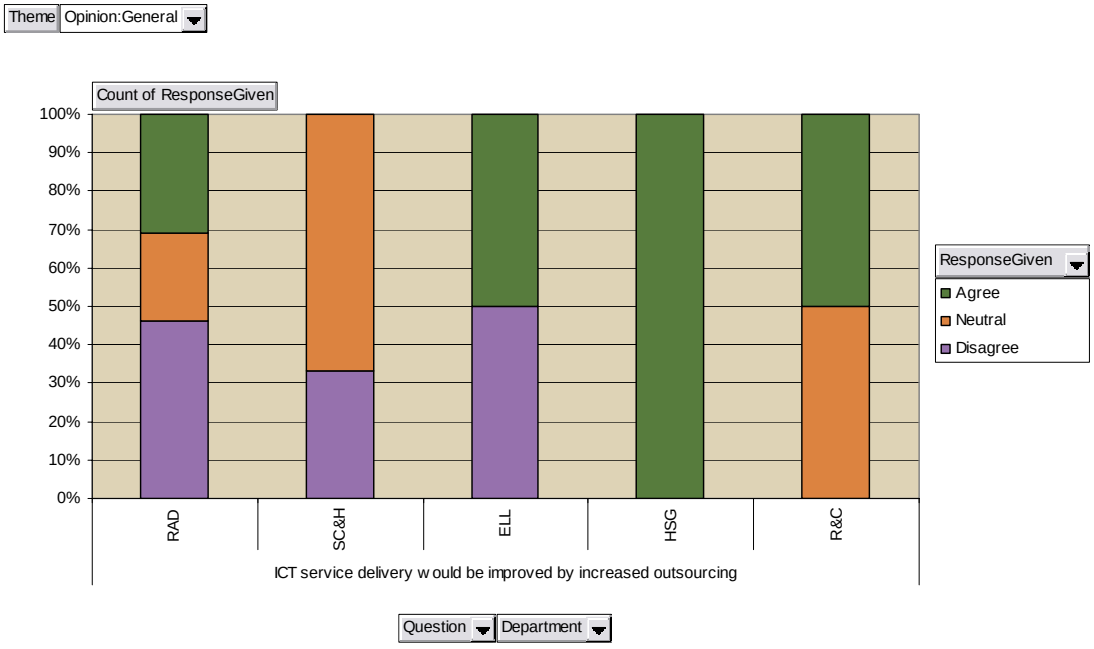
Corporate ICT services provide a time efficient service



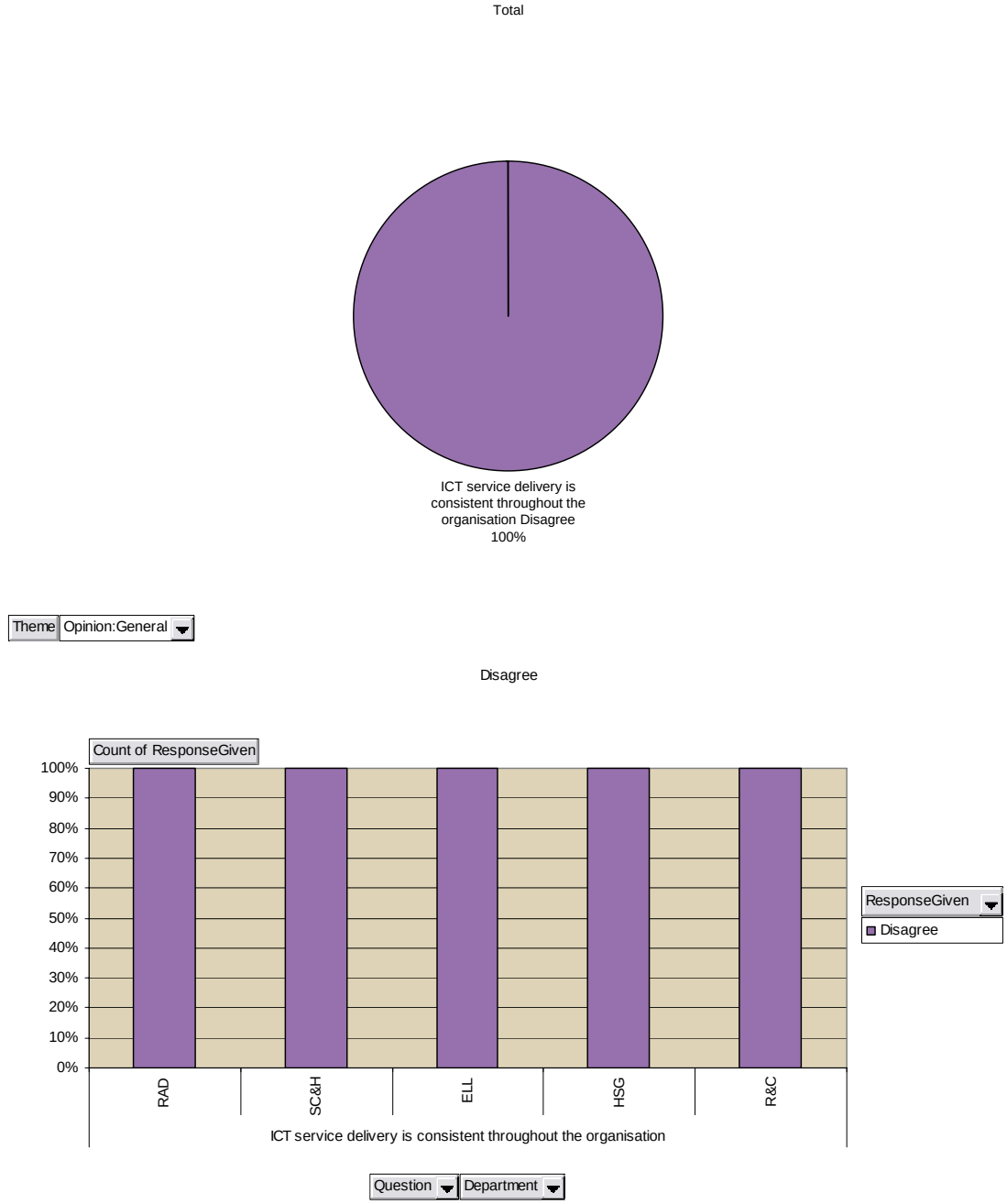


ICT service delivery would be improved by increased outsourcing



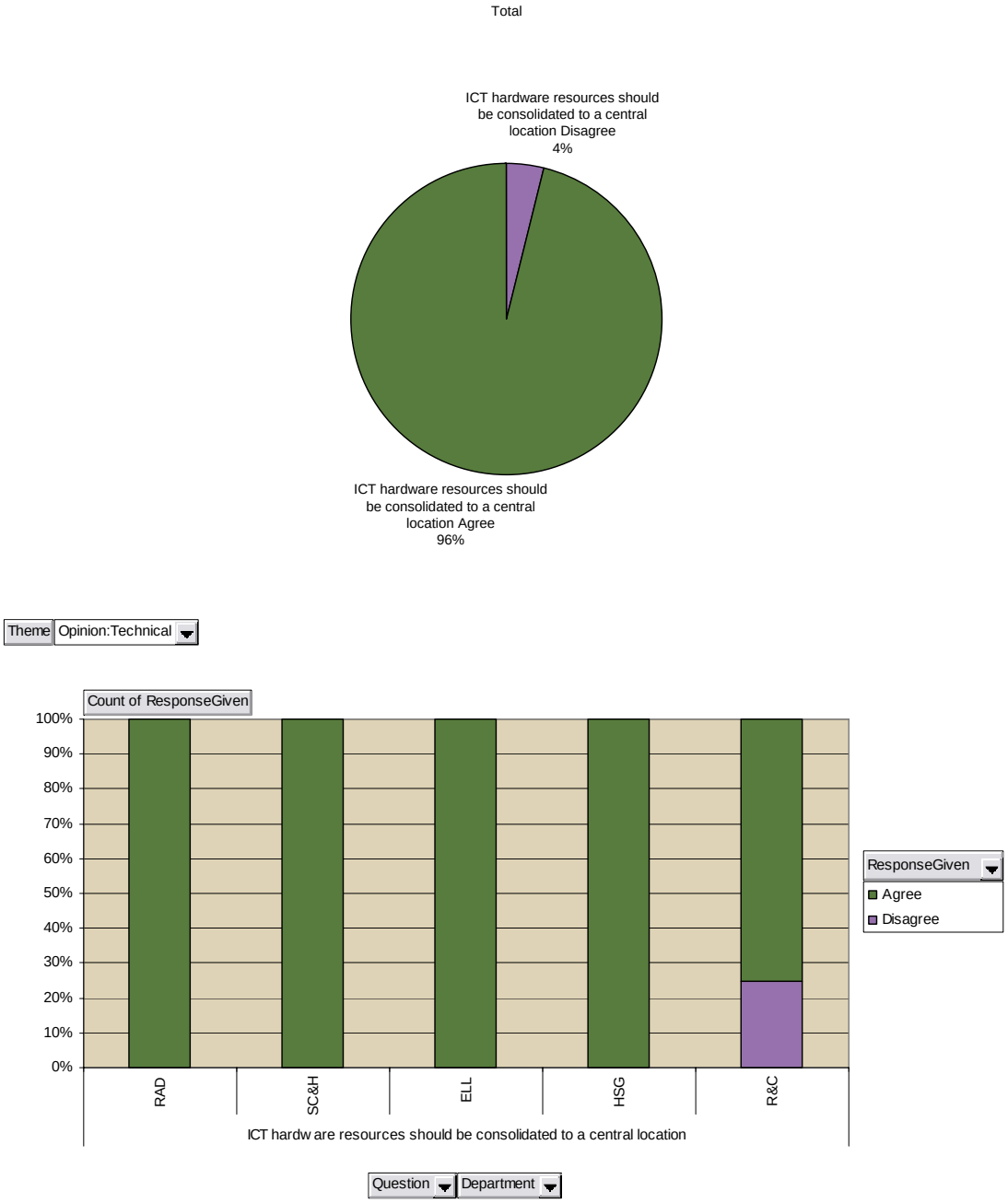


ICT service delivery is consistent throughout the organisation

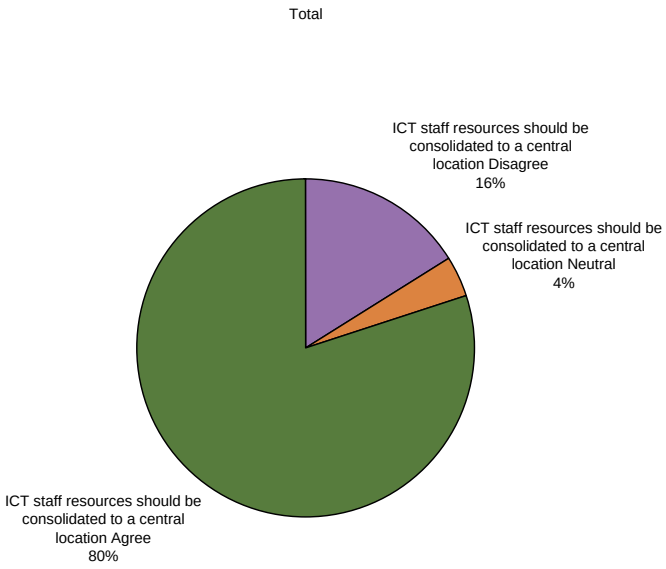


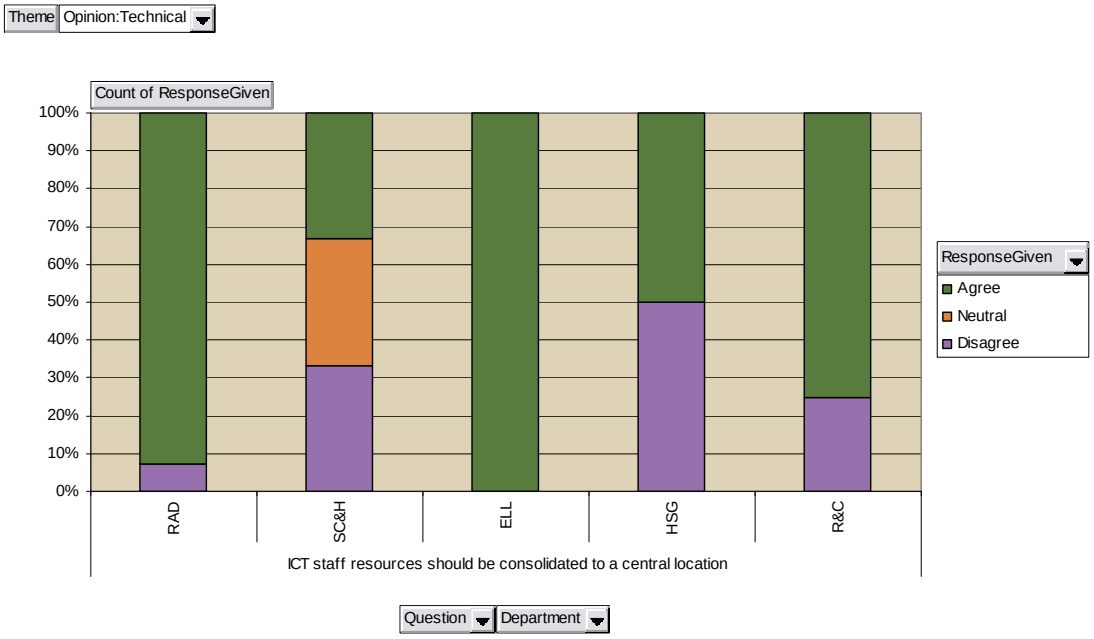
Opinion – Technical

ICT hardware resources should be consolidated to a central location



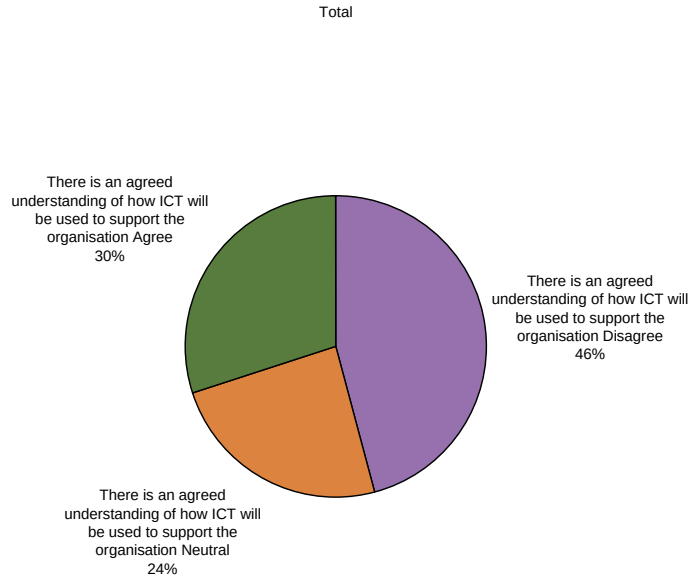
ICT staff resources should be consolidated to a central location

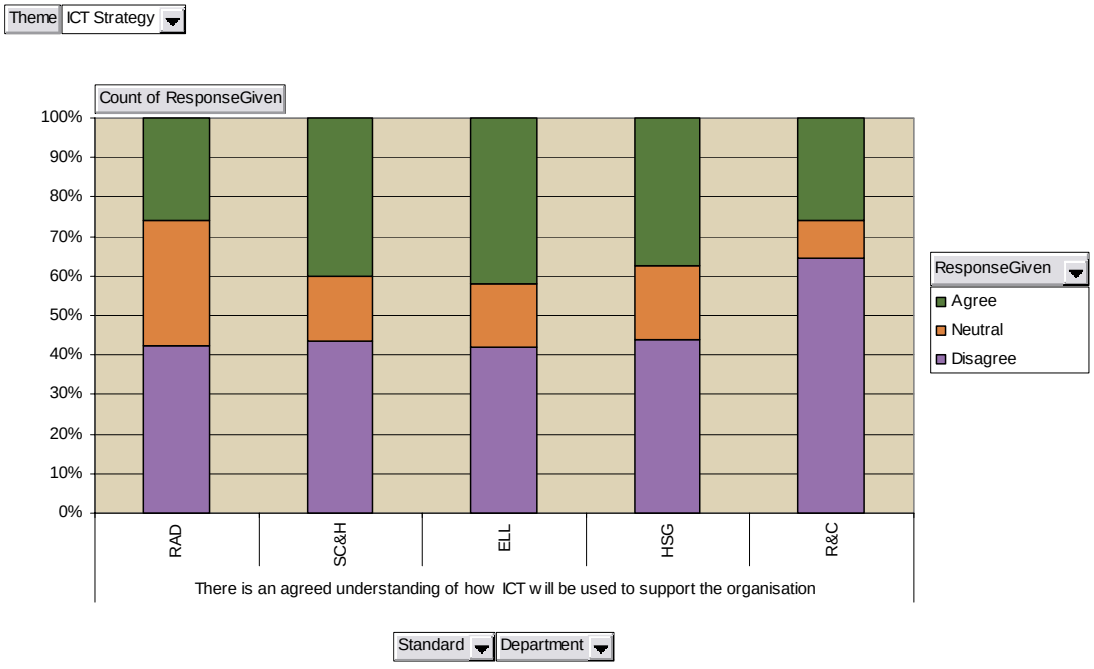




ICT Strategy

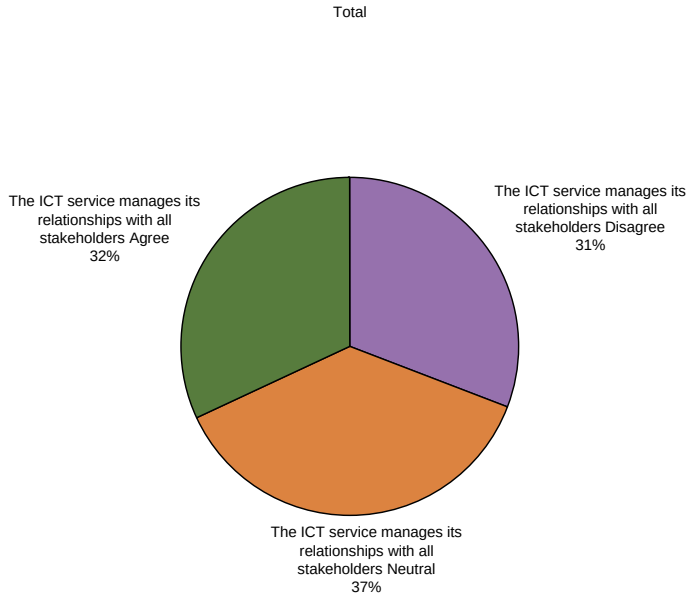
Standard - There is an agreed understanding of how ICT will be used to support the organisation

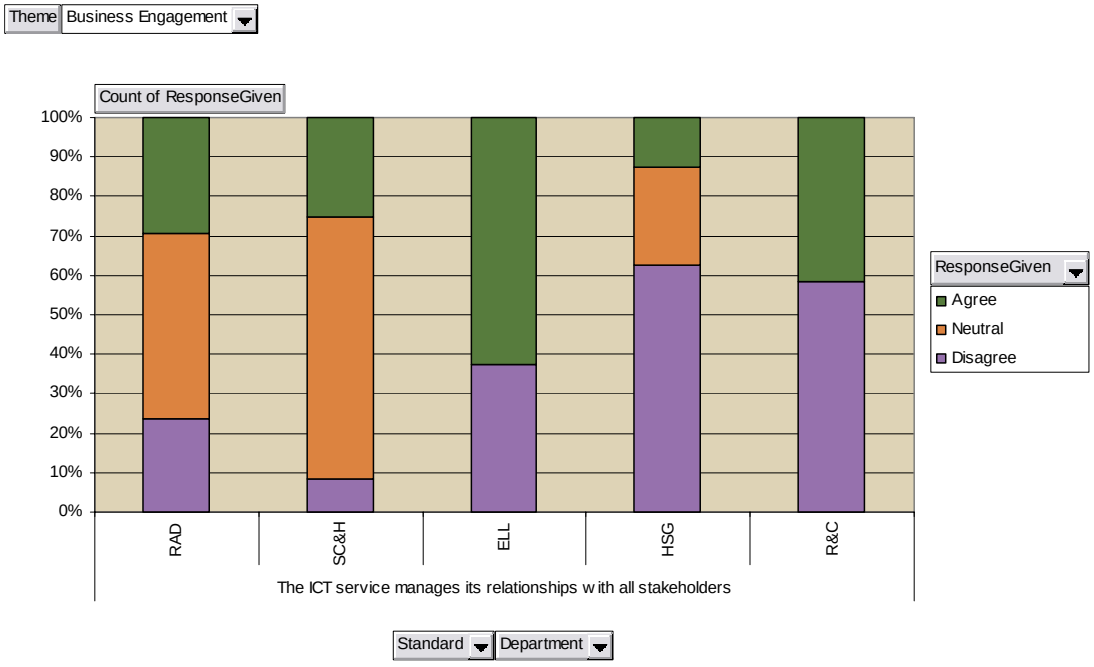




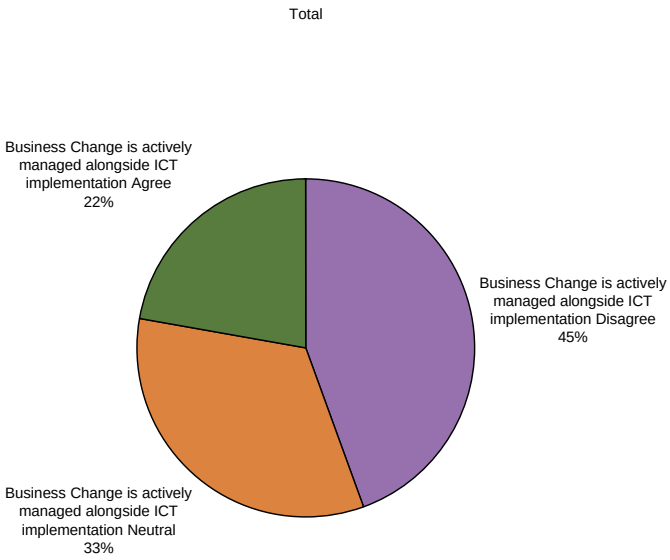
Business Engagement

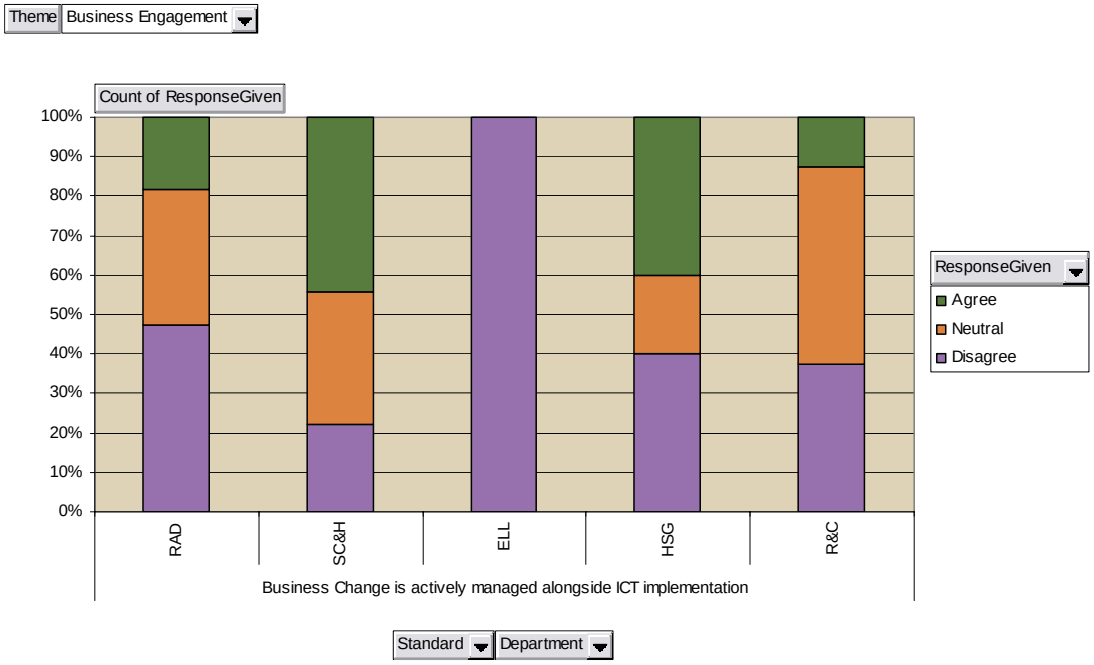
Standard: The ICT service manages its relationships with all stakeholders





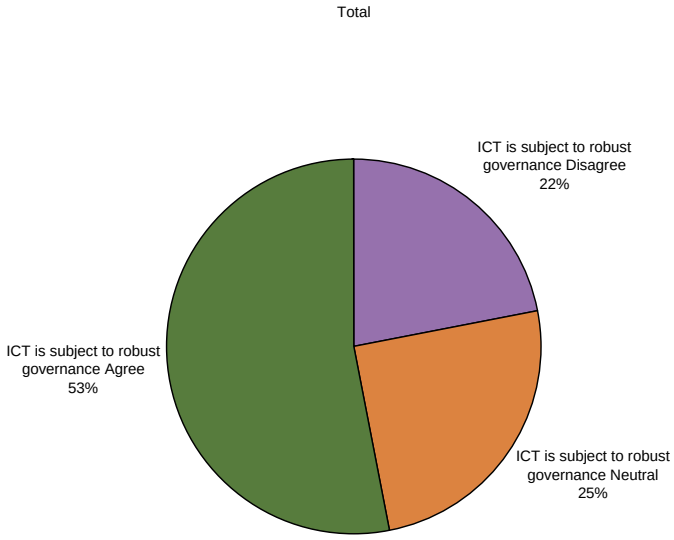
Standard - Business Change is actively managed alongside ICT implementation

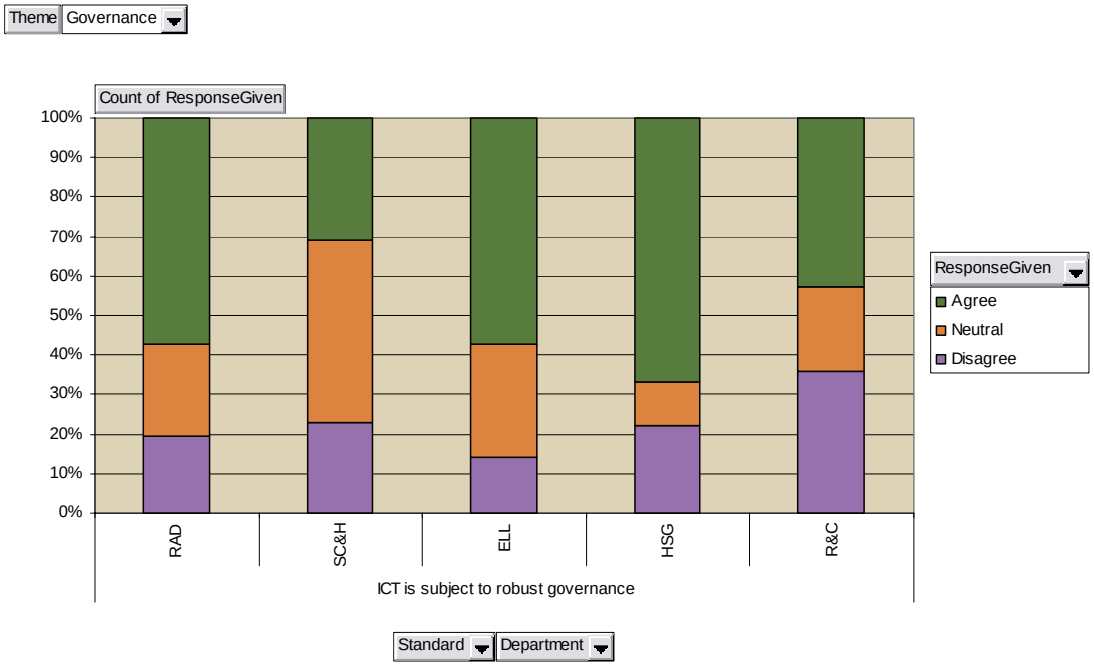




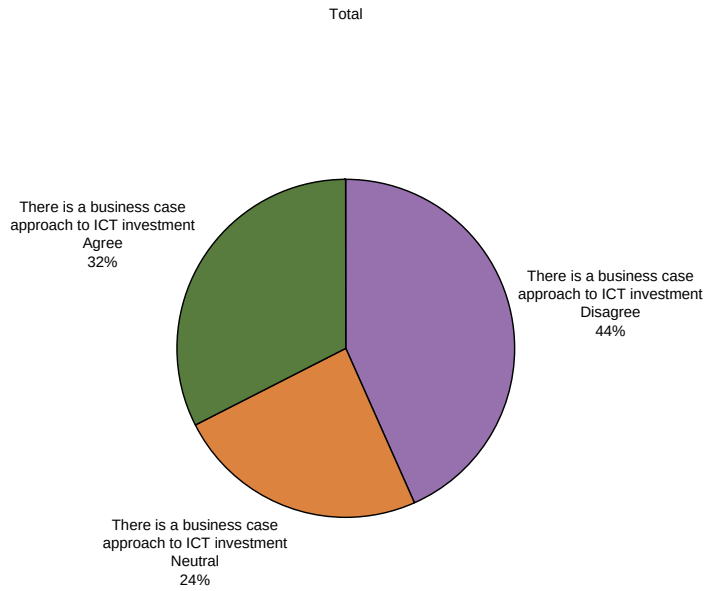
Governance

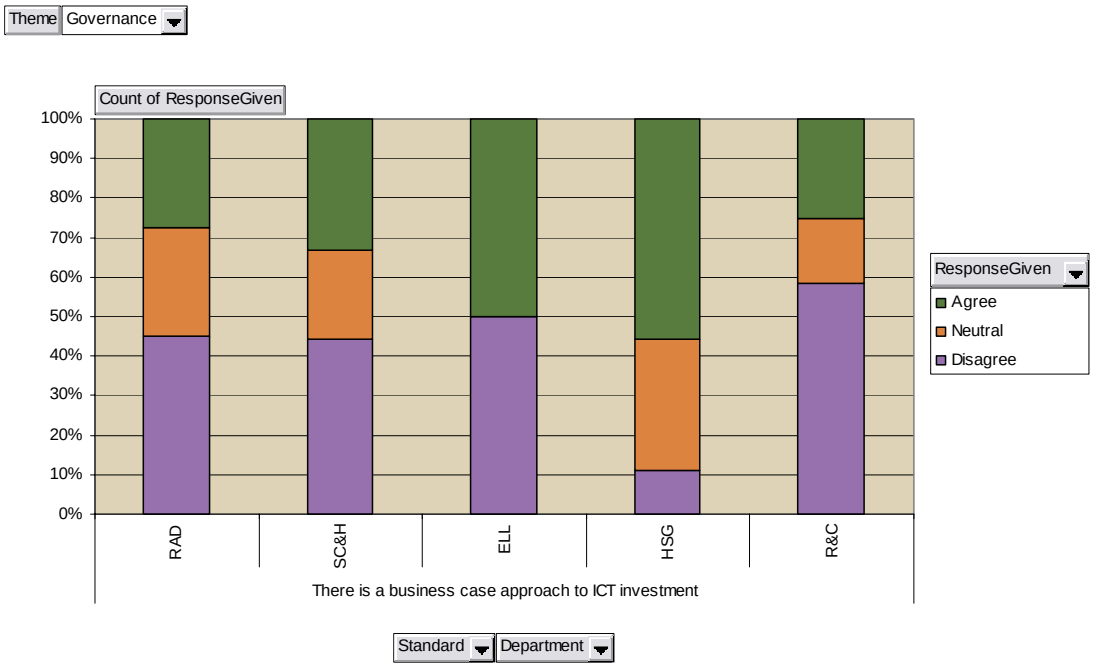
Standard – ICT is subject to robust governance





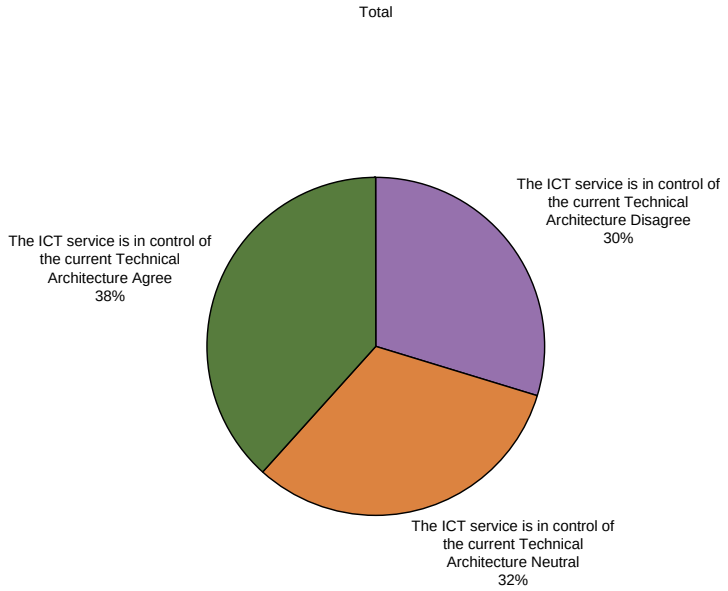
Standard – There is a business case approach to ICT investment

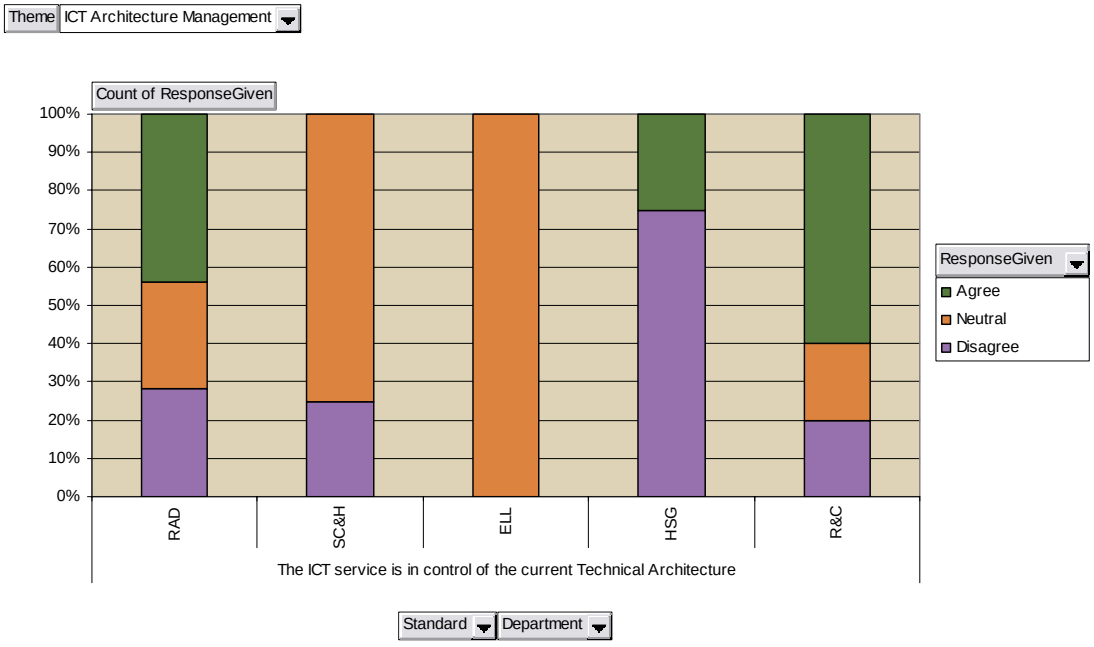




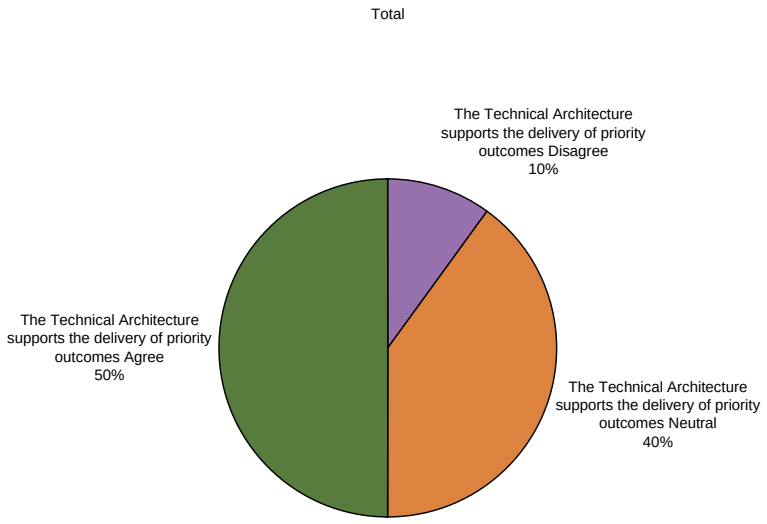
ICT Architecture Management

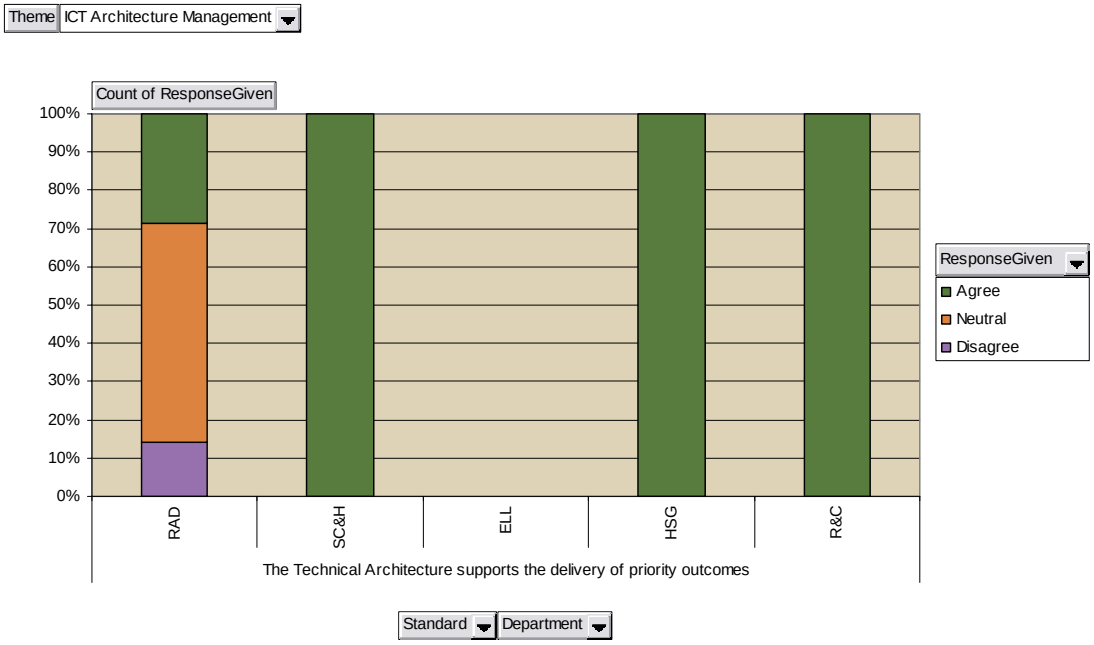
Standard – The ICT service is in control of the current Technical Architecture





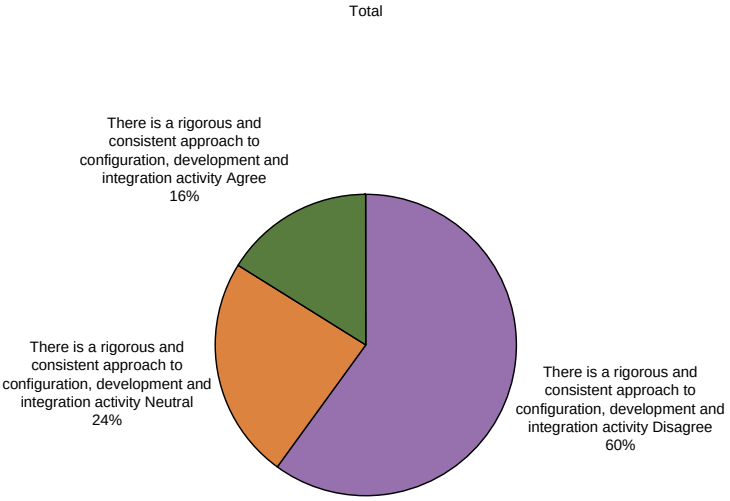
Standard – The Technical Architecture supports the delivery of priority outcomes

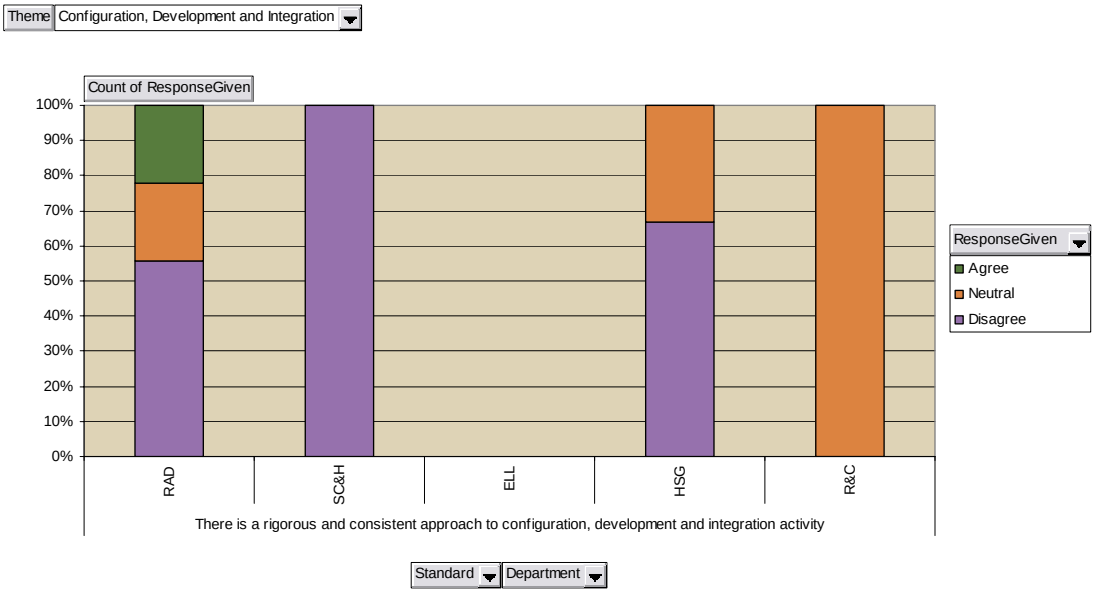




Configuration, Development & Integration

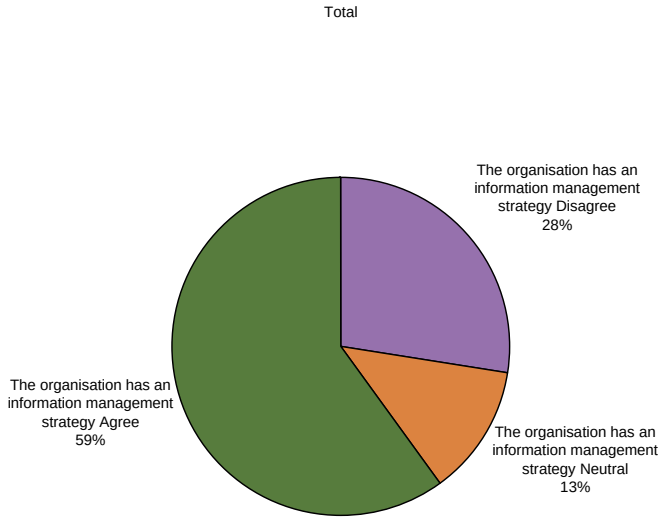
Standard – There is a rigorous and consistent approach to configuration, development and integration

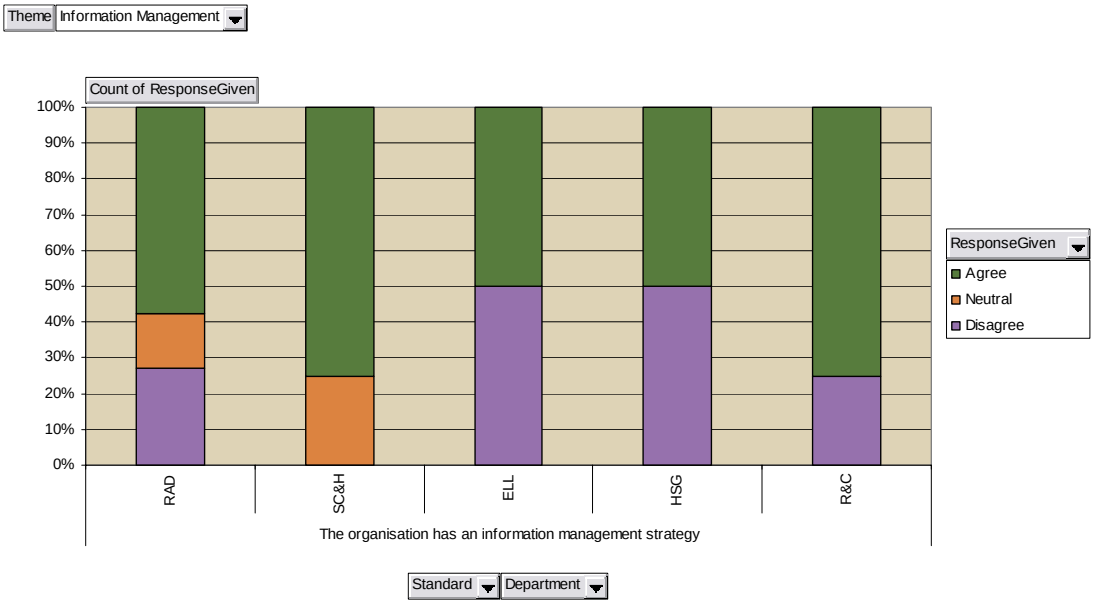




Information Management

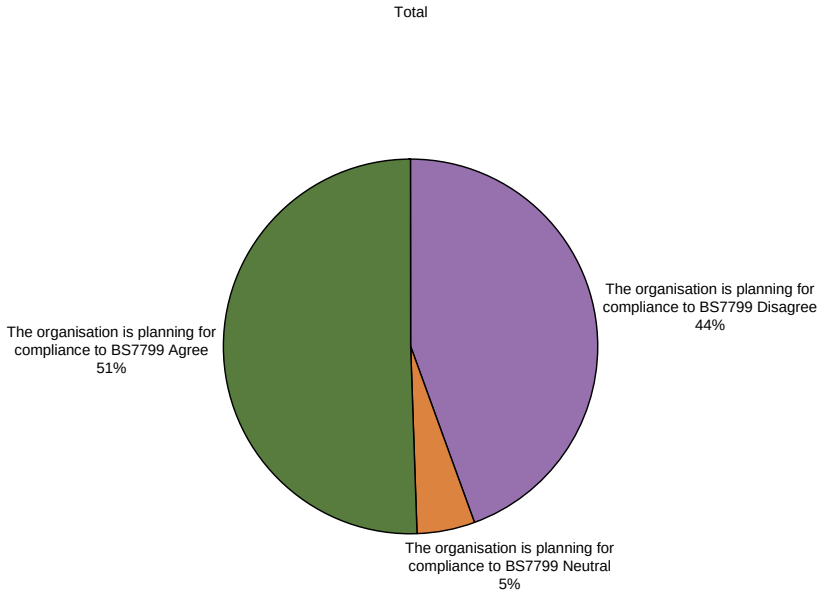
Standard – The organisation has an information management strategy

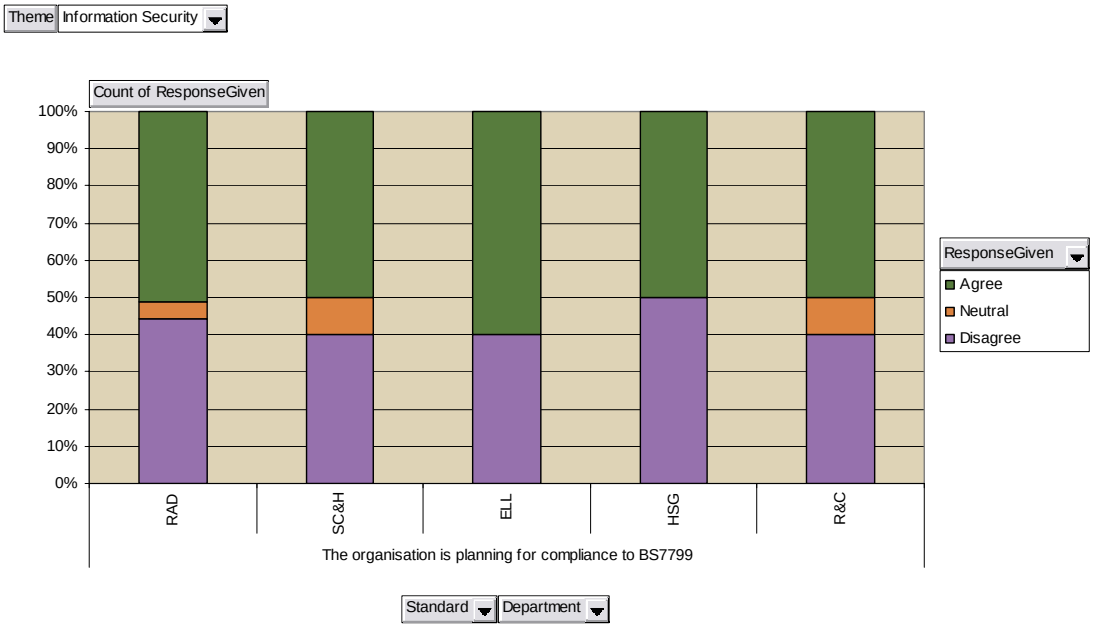




Information Security

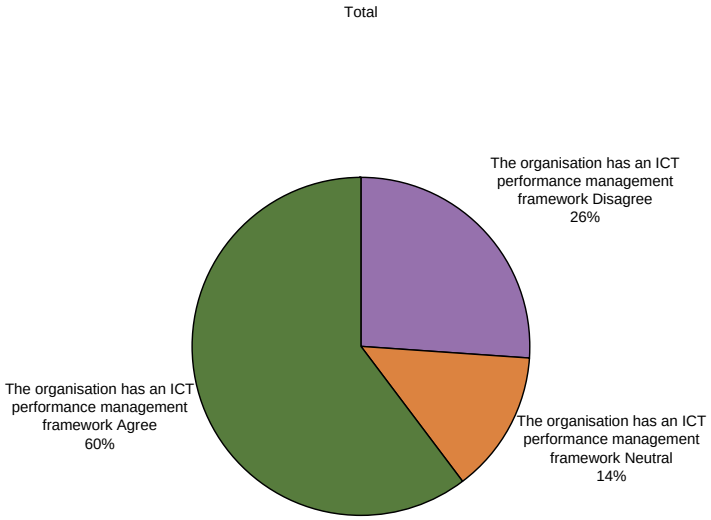
Standard – The organisation is planning for compliance to BS7799

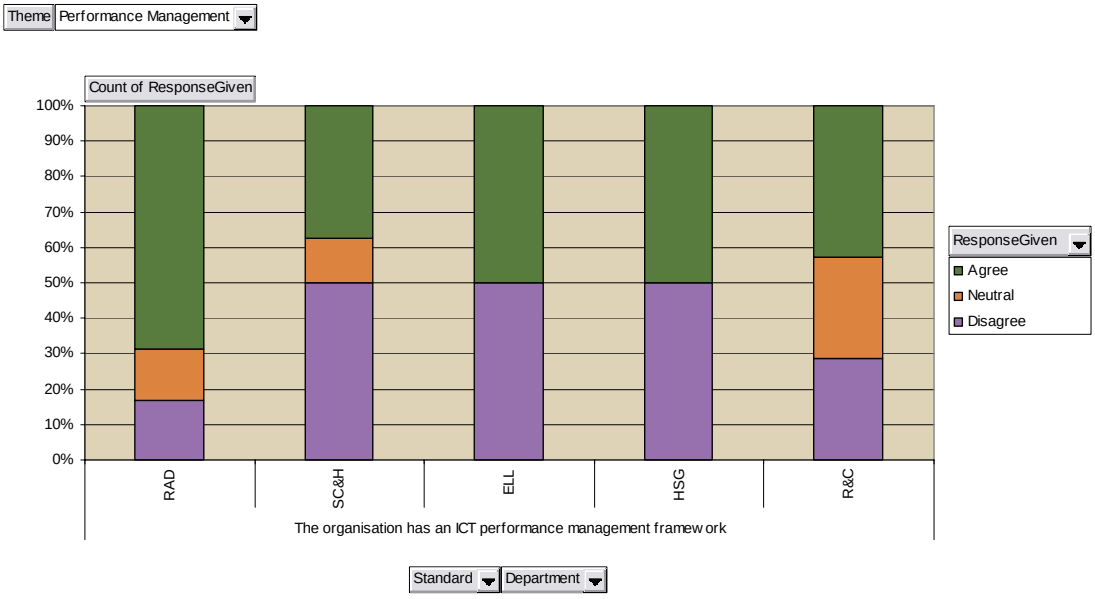




Performance Management

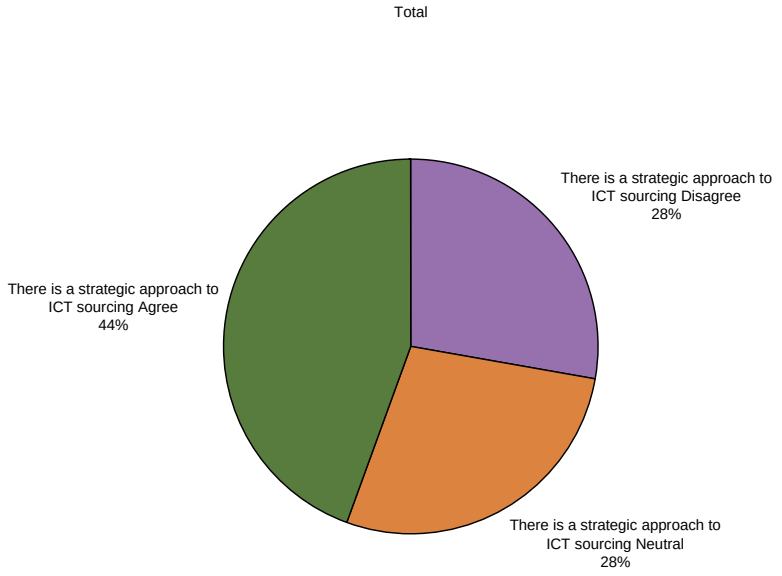
Standard – The organisation has an ICT performance management framework

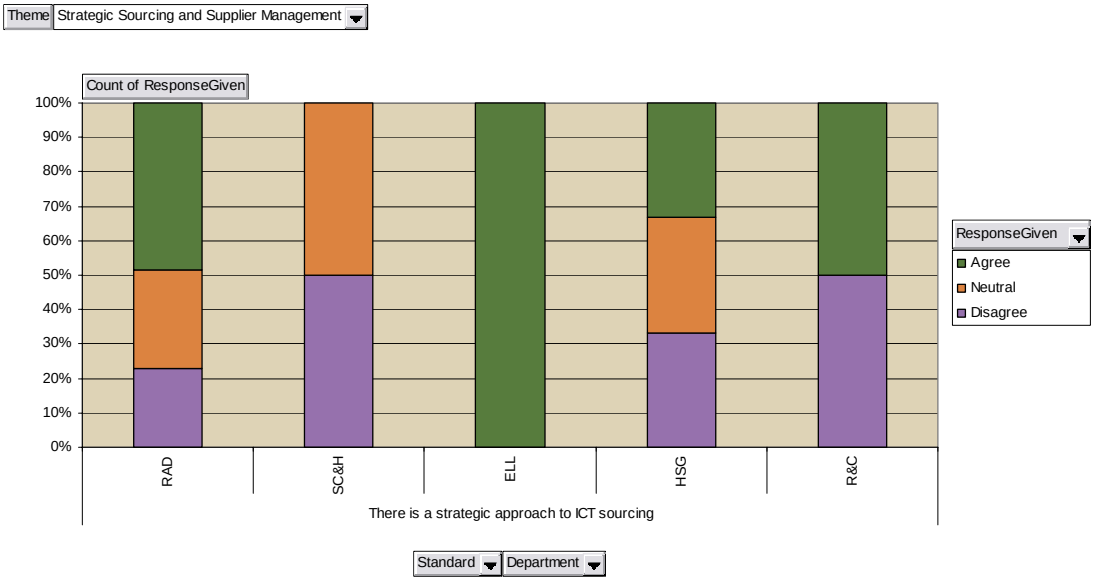




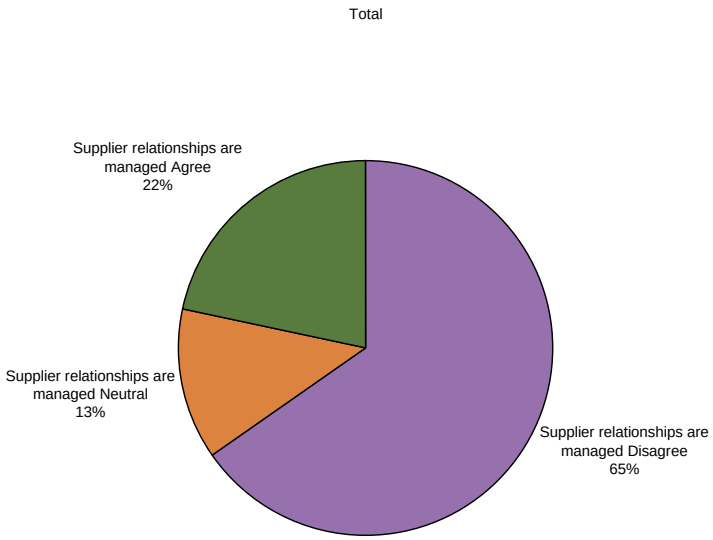
Strategic Sourcing and Supplier Management

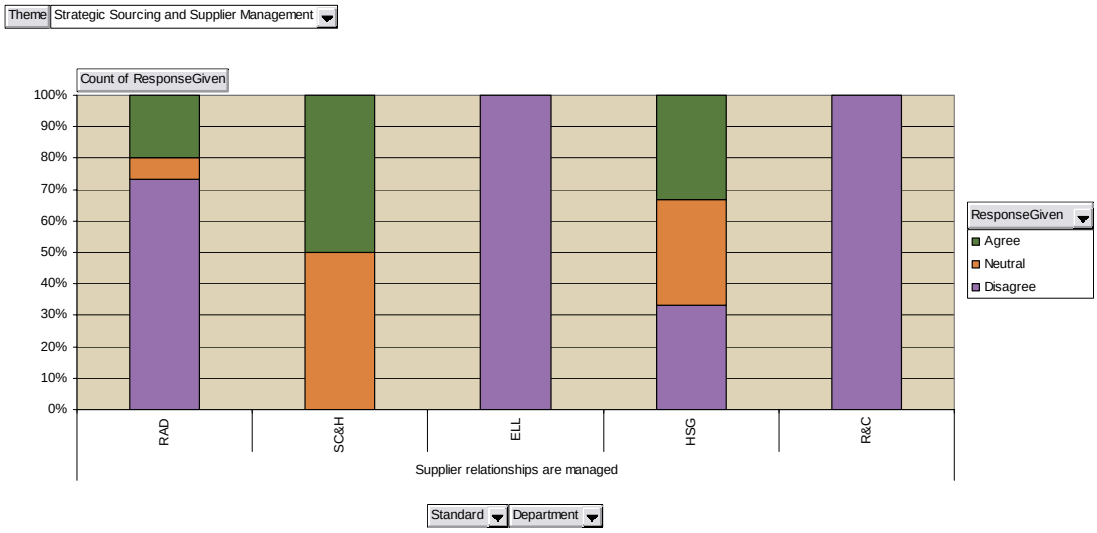
Standard – There is a strategic approach to ICT sourcing





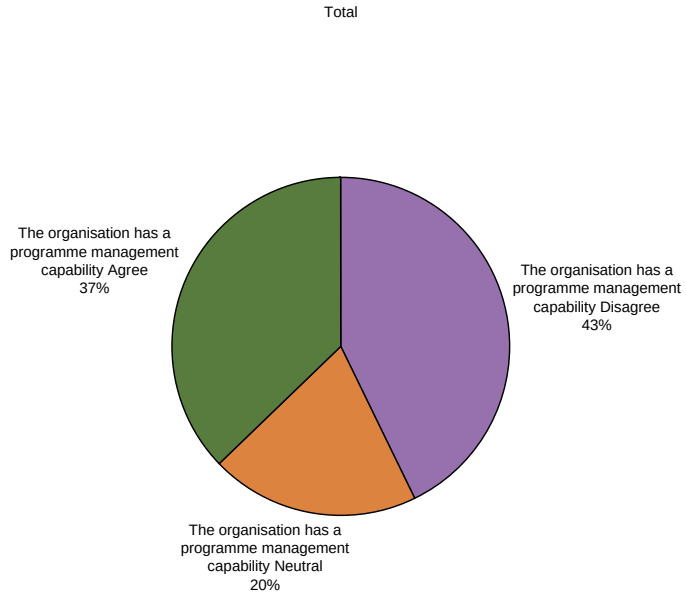
Standard - Supplier relationships are managed

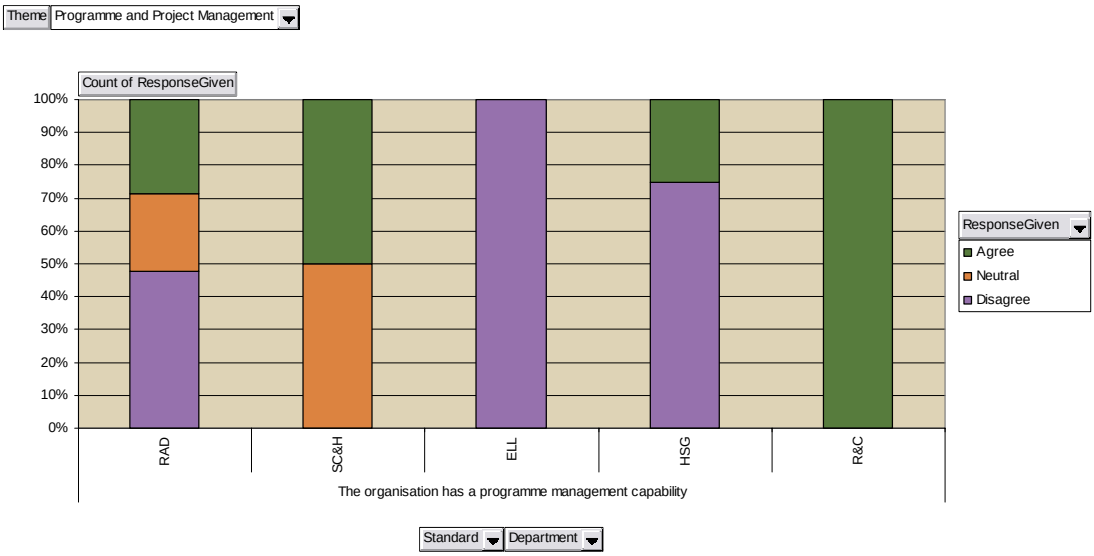




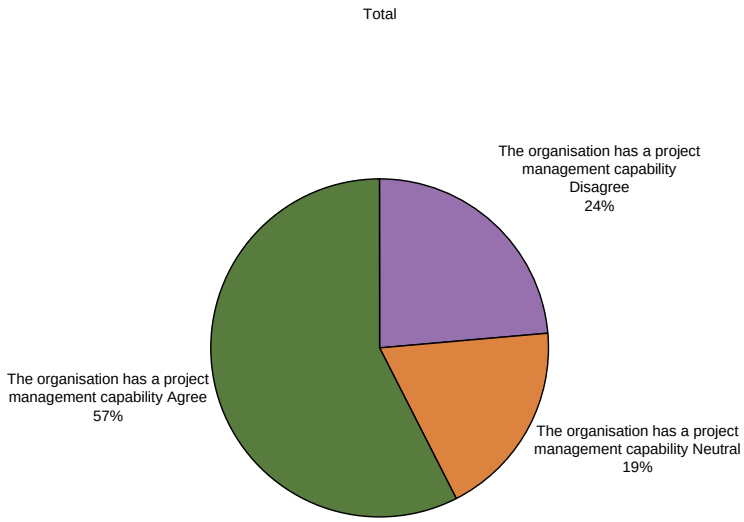
Programme and Project Management

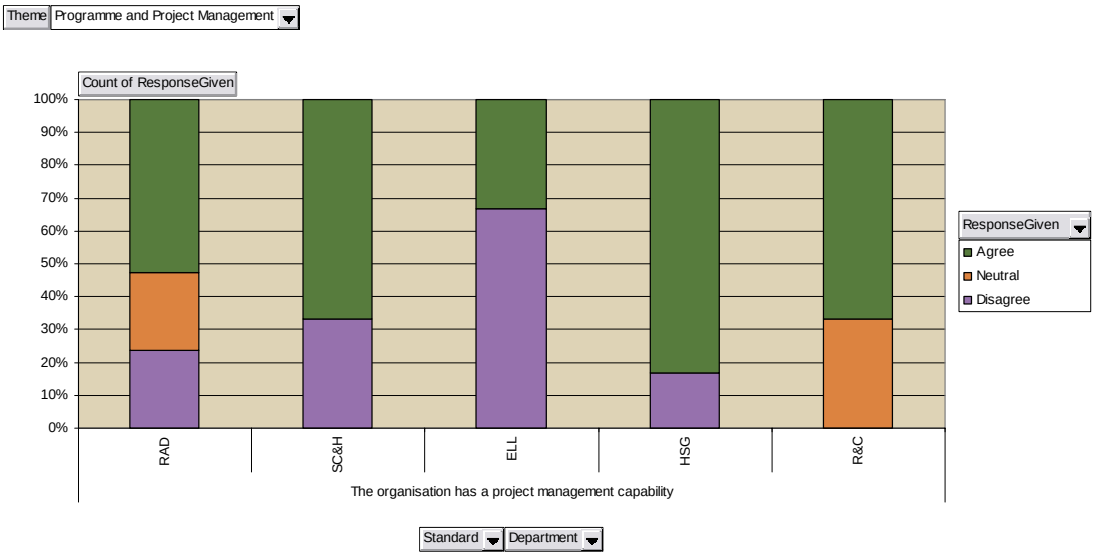
Standard - The organisation has a programme management capability





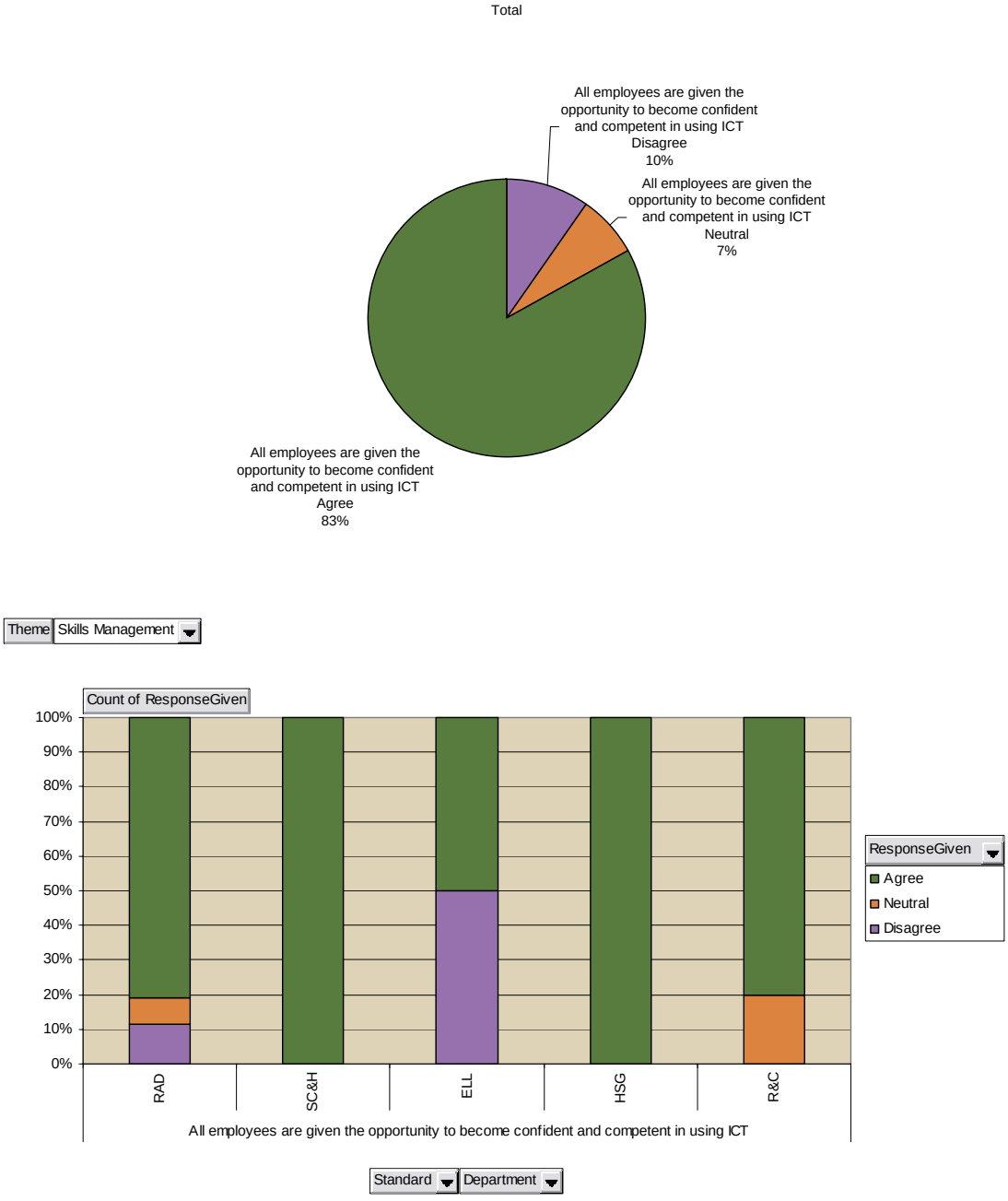
Standard – The organisation has a project management capability



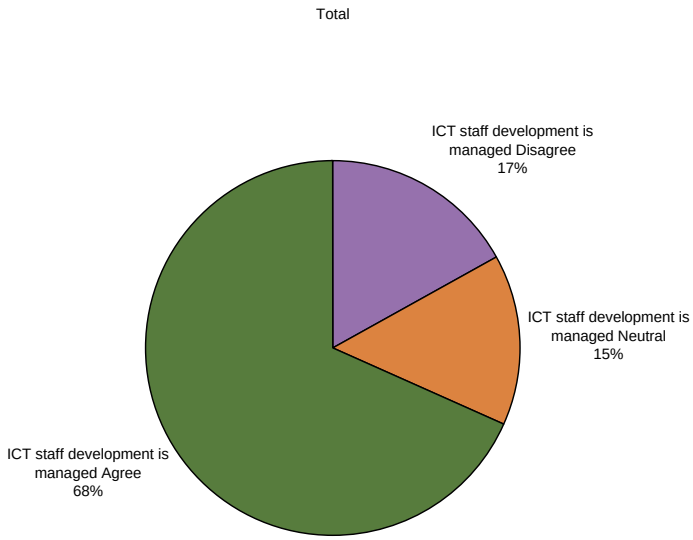


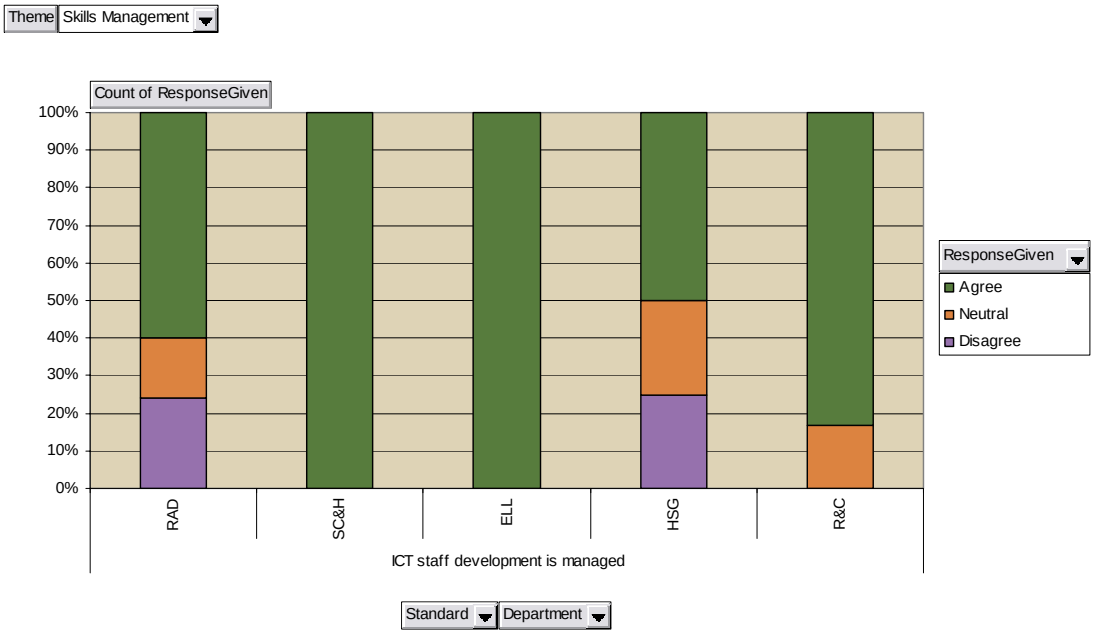
Skills Management

Standard – All employees are given the opportunity to become proficient and confident in using ICT



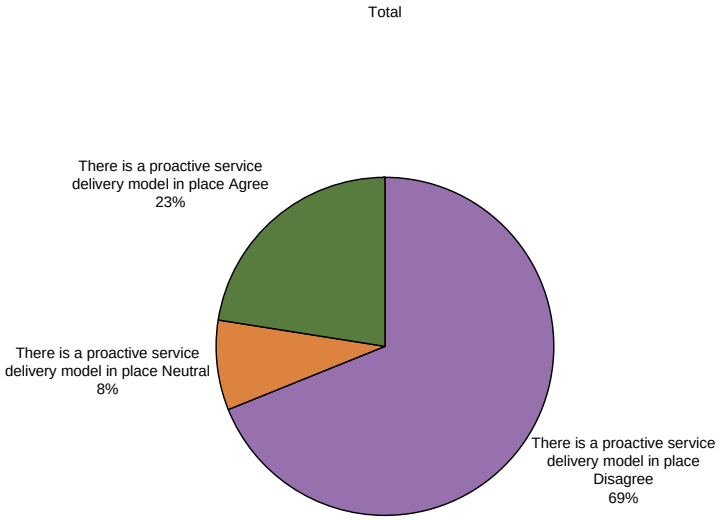
Standard – ICT staff development is managed

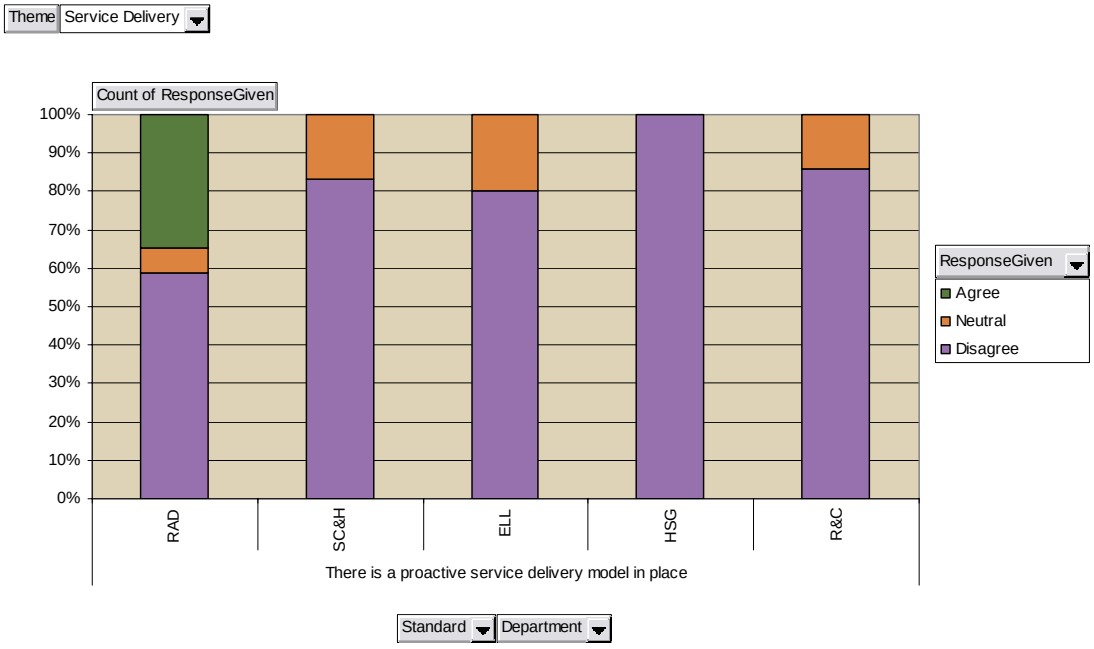




Service Delivery

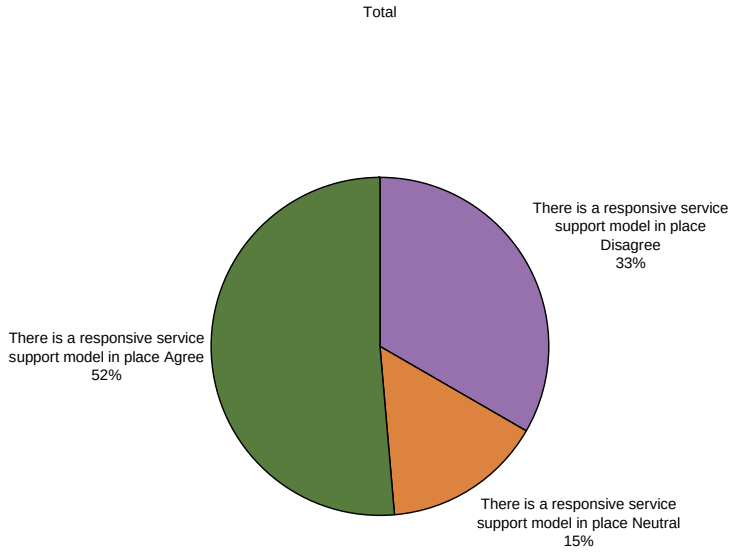
Standard - There is a proactive service delivery model in place

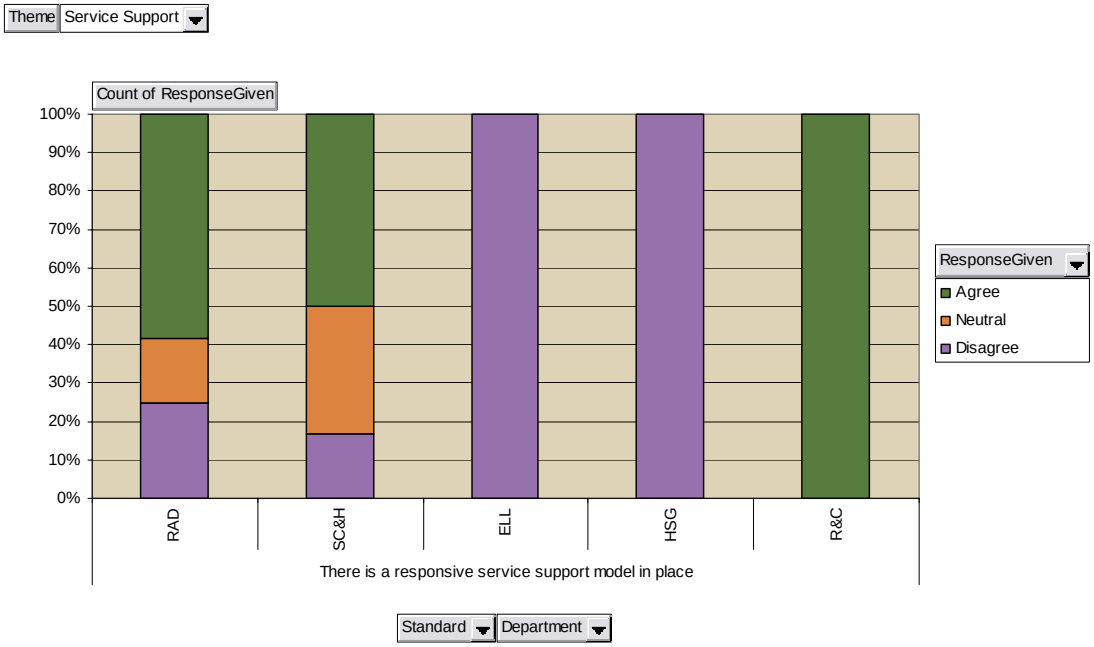




Service Support

Standard – There is a responsive service support model in place





APPENDIX 5: TCO MODEL COMPONENTS

Background

Initial efforts commenced by gathering ICT expenditure from departmental ICT managers. A list of potential ICT cost items including revenue, capital, overhead and staff costs was compiled and distributed to the ICT managers.

The list of costs was summarised at a high level, and compared to known ICT revenue spending gathered through the Financial Management Information System (FMIS). The discrepancy between FMIS ICT revenue spending and that gathered by ICT managers was significant, and suggested a new approach should be used as described below.

Method Used

Accountancy compiled a list of all IT related G codes (ICT Revenue expenditure) for the Council from FMIS. The following adjustments were undertaken from the list to ensure there was no double counting:

Capitalisation

There were a number of projects where the spend was held on revenue accounts but was capitalised at year-end. To ensure that the figures were only accounted for once, the expenditure on (G codes) revenue was reduced to account for this. Capital spending was accounted for by applying a capital charge on the total capital expenditure as per SOCITM guidelines. This charge was assumed to be 5% for convenience.

Grant Funding

Any expenditure, which related to specific grant funding, was excluded. Examples of this include IEG government grants for the RAD department. The revenue figures would be distorted if this expenditure was included, as the purpose of spend here was specifically because it was grant funded.

Commissioning work

IT charge commissioning costs to departments. This expenditure is incurred within IT and charged to departments on G codes. The IT figures have been adjusted for this to avoid double-counting in the figures.

Other Adjustments

IT undertake other areas of work for departments ranging from support for servers, overtime for various reports, WEB extra development, internet, etc. The IT trader figures have been reduced to ensure that the expenditure lies just in the departmental codes and is not double counted.

Housing Revenue Account

The expenditure on G codes that related to HRA was not removed. As per SOCITM guidelines, all ALMO-type ICT costs are included in the overall cost figures, and also HRA costs are included in the Gross Revenue budget for benchmarking purposes.

Staff Costs

ICT staff costs were provided by departmental ICT managers. The figures used were not taken from payroll records, as this would not reflect ICT activities carried out by non-ICT staff, or non-ICT activities carried out by staff within the ICT departments. Staff costs included a provision for superannuation and National Insurance contributions.

Overheads

Overheads were included by capturing relevant Controllable and Non-Controllable recharges (FMIS N and P codes) for CICT, ensuring that double-counting was not taking place. Where these costs were available for other departments (e.g. R&C), these actual figures were used. Where the information was not easily available, an estimated allocation was made according to their percentage of non-overhead ICT spend compared to CICT.

Results

COSTS MARKED BY * NOT INCLUDED IN TCO							
		RAD (INC CX)	SC&H	ELL (EXC SCHOOLS)	HOUSING	R&C	TOTAL
G CODE DESCRIPTION		ACT04	ACT04	ACT04	ACT04	ACT04	ACT04
COMPUTER EQUIPMENT PURCHASE	G100	746,298.80	684,309.23	337,071.87	163,307.85	551,787.39	2,482,775.14
COMP EQUIP PURCHASES (PRINTER)	G101	0.00	0.00	35,631.86	48,506.15	0.00	84,138.01
READY FOR RE USE	G102	0.00	0.00	48.44	560.00	0.00	608.44
LAPTOPS FOR TEACHERS	G105	0.00	0.00	0.00	0.00	0.00	0.00
COMPUTER SOFTWARE	G110	195,400.32	345,137.50	41,440.84	176,303.94	98,916.13	857,198.73
ANNUAL MAINTENANCE SOFTWARE	G111	108,685.83	53,870.39	1,660.00	72,373.84	20,806.08	257,396.14
NETWORK INFRASTRUCTURE	G112	15,842.06	4,080.00	3,825.00	385.00	0.00	24,132.06
CORPORATE SOFTWARE	G113	712.07	0.00	127.00	0.00	0.00	839.07
NEW SYSTEMS	G114	107,079.05	0.00	151,096.83	1,450.80	0.00	259,626.68
MIS NETWORK CHARGES	G115	0.00	0.00	0.00	0.00	550.00	550.00
ICT SOFTWARE/MATERIALS SCHOOLS	G116	0.00	0.00	2,641.66	0.00	0.00	2,641.66
LICENCES	G117	279,605.86	52,121.00	13,676.85	0.00	13,105.82	358,509.53
DEVELOPMENT	G118	0.00	0.00	30,016.00	0.00	0.00	30,016.00
REP & MAINT.- HARDWARE	G120	193,530.89	76,261.34	6,883.47	68,307.41	298,074.01	643,057.12
REPAIRS & MAINTENANCE PRINTERS	G121	0.00	0.00	0.00	5,912.16	0.00	5,912.16
OTHER CORPORATE EQUIPMENT	G122	19,442.95	0.00	0.00	0.00	27.50	19,470.45
AS400 LEASE & MAINT	G123	147,382.26	0.00	0.00	0.00	0.00	147,382.26
DISASTER RECOVERY	G126	112,101.14	0.00	0.00	0.00	0.00	112,101.14
DATA OFFSITE STORAGE	G127	10,605.02	0.00	0.00	0.00	0.00	10,605.02
XEROX LASER PRINTER	G128	128,563.95	0.00	0.00	0.00	0.00	128,563.95
READY FOR RE USE	G140	0.00	0.00	0.00	0.00	0.00	0.00
CHARGES OF COMPUTER SERVICES	G151	0.00	0.00	0.00	46,856.90	0.00	46,856.90
COMPUTER EQUIPMENT OP. LEASE	G160	0.00	0.00	38,383.11	4.05	46,282.64	84,669.80
COMPUTER EQUIP.RENTALS	G161	217,187.64	0.00	0.00	0.00	0.00	217,187.64
COMMUNICATIONS EQUIP -PURCH.	G200	4,016.94	1,264.00	4,087.39	16,889.31	19,243.81	45,501.45
WEBSITE	G201	60,815.94	0.00	345.00	0.00	7,546.40	68,707.34
VIDEO CASSETTE PURCHASE	G202	-2431.84*	0.00	3045.28*	0.00	0.00	0.00
INTERNET RECHARGES	G203	18,825.35	15,090.26	18,690.00	10,890.99	18,884.89	82,381.49
R&M - COMMS EQUIP	G210	6,747.50	0.00	604.78	60,890.86	3,940.68	72,183.82
RADIO MTCE	G211	0.00	0.00	0.00	0.00	98.68	98.68
CCTV CONTRACT MTCE	G215	0.00	0.00	0.00	0.00	15776.54*	0.00
CCTV CHARGEABLE MTCE	G216	0.00	0.00	0.00	0.00	9222.8*	0.00
COMMS EQUIP - RENTAL	G220	3,282.94	0.00	3,003.14	28,229.69	103.40	34,619.17
COMMS LINE RENTALS	G222	581,338.63	19,000.00	0.00	0.00	164.60	600,503.23
RAPID REACH COMMUNICATION EQUP	G224	1,482.90	0.00	0.00	0.00	0.00	1,482.90
COMMS EQUIP - OP LEASING	G230	0.00	0.00	75.66	0.00	238.59	314.25
TELEPHONES	G240	389,524.82	295,484.81	142,300.66	184,686.93	278,337.91	1,290,335.13
MOBILE PHONES	G241	51,054.66	48,318.59	26,076.83	34,113.34	93,504.31	253,067.73
TELEPHONE CALL BOXES	G242	0.00	3,261.47	0.00	0.00	3,470.35	6,731.82
RADIO PAGERS	G243	266.69	259.55	447.72	0.00	75.00	1,048.96

TELEPHONE LINES-ICT-SCHOOLS	G244	0.00	0.00	0.00	0.00	0.00	0.00
REMOTE TERM COMMS	G245	60,313.52	0.00	0.00	0.00	495.51	60,809.03
HARDWARE MAINTENANCE	G246	12,185.77	380.63	2,464.61	0.00	66.00	15,097.01
BT REMAC INSTAL.CHGS	G247	0.00	0.00	0.00	0.00	2,234.17	2,234.17
ECN TELEPHONE (HO)	G248	329.20	0.00	0.00	0.00	0.00	329.20
TELEX/FAX	G250	7,701.92	4,391.60	1,472.90	8,095.78	4,378.82	26,041.02
TOTAL G CODE REVENUE SPENDING		**3,480,325**	**1,603,230**	**862,072**	**927,765**	**1,462,333**	**8,335,724**
ICT RELATED STAFF SPENDING							
OPERATIONAL MANAGEMENT		289,707.50	119,707.00	8,434.31	39,255.00	59,000.00	516,103.81
STRATEGY		150,498.00	315,864.00	0.00	13,098.00	0.00	479,460.00
SUPPORT		667,416.50	116,048.00	98,415.36	179,370.00	314,280.00	1,375,529.86
OPERATIONS		396,010.00	0.00	36,541.80	2,600.00	0.00	435,151.80
DEVELOPMENT		706,755.00	19,948.00	66,524.40	89,685.00	88,650.00	971,562.40
SERVER		433,389.50	0.00	0.00	39,094.00	96,835.00	569,318.50
NETWORK		186,915.50	23,322.00	0.00	6,899.00	0.00	217,136.50
VOICE NETWORK		113,186.00	0.00	0.00	0.00	0.00	113,186.00
DESKTOP		0.00	0.00	0.00	22,996.00	39,900.00	62,896.00
APPLICATION IMPLEMENTATION		0.00	33,292.00	0.00	269,140.00	0.00	302,432.00
SECURITY		74,355.00	0.00	0.00	9,198.00	0.00	83,553.00
TRAINING		140,347.00	0.00	0.00	0.00	0.00	140,347.00
RECRUITMENT		15,472.00	1,593.00	4,169.52	0.00	60,000.00	81,234.52
ELL VARIATION				1697.00			1697.00
STAFF TOTAL		**3,174,052**	**629,774**	**215,772**	**671,335**	**658,665**	**5,349,598**
ICT CAPITAL CHARGES (EXPENDITURE - 5%)							
CAPITALISATION		10,195.95	0.00	0.00	14,250.00	0.00	24,445.95
CONSULTANCY		282.08	0.00	0.00	28,230.22	0.00	28,512.30
PURCHASES		5,359.08	7,235.79	0.00	25,671.73	1,230.81	39,497.41
ICT CHARGES		64.37	417.97	0.00	0.00	2,237.15	2,719.49
CAPITAL CHARGES TOTAL		**15,901**	**7,654**	**0**	**68,152**	**3,468**	**95,175**
CONTROLLABLE & NON CONTROLLABLE OVERHEADS		**540,667.33**	**181,619.21**	**87,366**	**135,141.09**	**115,003.00**	**1,059,797**
GRAND TOTAL		**7,210,945**	**2,422,277**	**1,165,210**	**1,802,393**	**2,239,469**	**14,840,294**

TCO Information Provided by ICT Managers

AREA	ITEM	RAD	R&C	SC&H	HSG	TOTAL
Operational Management	Service Directors	76,768	0	0	3900	80668
Operational Management	Senior Management	58,212	59000	103906	25296	246414
Operational Management	Administration	154,728	0	15801	10059	180587.5
Operational Management	External Contractors/Consultancy	572	0	0		572
Operational Management	Equipment purchases G122, G100 and G020	113,001	1500	0	21525	136025.5
Strategy	Staff	150,498	0	305564	13098	469160
Strategy	External Contractors/Consultancy		0	10300		10300
Strategy	Supplies & Services	24,838	0	0	0	24838
Strategy	Support services charges	8,492	0	0	0	8492
Support	Staff	731,056	314280	114689	170172	1330196.5
Support	External Support Contracts/Consultancy	572	0	1359	400	2331
Support	Software	4,821	0	0	750	5571
Support	Supplies & Services	1,496	0	0	7616	9111.5
Support	Premises related	13,945	0	0	0	13945
Support	Equipment purchases G500, G122,	21,174	4200	0	1825	27199

	G100 and G020					
Support	R&D and Project Staff costs	0	0	0	9198	9198
Operations	Staff	417,591	0	0	2600	420191
Operations	External Contractors/Consultancy	0	0	0	Provided by CICT	0
Operations	Mid-range & printer lease costs	493,102	0	0	Provided by CICT	493102
Operations	Computer room costs	54,372	0	0	Provided by CICT	54372
Operations	Equipment purchases G122, G100 and G020	30,278	0	0	Provided by CICT	30278
Operations	Printing- stationary, toner etc.	33,605	0	0	Provided by CICT	33605
Operations	BCP & Disaster Recovery	169,948	0	0	5450	175398
Operations	Repair & Maintenance	18,002	0	0	0	18002
Development	Staff	690,342	88650	4060	89685	872737
Development	External Contractors/Consultancy	0	0	15888	0	15888
Development	Supplies & Services G001	20,964	0		1417	22381
Development	Equipment purchases G122, G100 and G020	18,385	1050	0	870	20305
Server	Staff	433,390	96835	0	39094	569318.5
Server	External Contractors/Consultancy	7,603	0	0	5665	13268
Server	Server Hardware	106,290	85171	153114	55319	399893.5
Server	Server OS purchase	5,705	22029	3781	92556	124070.5
Server	Server Maintenance	0	11638	2544	2984	17166
Server	Server OS maintenance/Licensing Costs	79,870	23655	36291	0	139816
Server	BCP	0	26595	0	10748	37343
Server	Supplies & Services	2,123	0	0	0	2123
Server	Equipment purchases G122, G100 and G020	5,583	1050	30000	4776	41409
Network	Staff	186,916	0	12832	6899	206646.5
Network	External Contractors/Consultancy	19,689	0	0	0	19689
Network	Active Network Components (Switches/routers/bridges)	0	0	0	16812	16812
Network	Cabling Infrastructure	196,123	0	0	1566	197689
Network	Cabinets	0	0	0	0	0
Network	Network Management Tools	-71,271	0	0	Provided by CICT	-71270.5
Network	Active Network Component Maintenance (bridges/switches/routers)	12,620	0	0	Provided by CICT	12620
Network	Other Network Hardware (e.g. Wireless Components, Hard Drives)	0	0	0	0	0
Network	Data Lines	579,218	0	19000	Provided by CICT	598218
Network	Internet Charges (ISP Connection, JANET etc.)	37,099	0	1120	Provided by CICT	38219
Network	Supplies & Services	1,594	0	0	Provided by CICT	1594
Network	Controllable Support services	1,227	0	0	0	1227
Network	Repair & Maintenance	49,720	0	1200	Provided by CICT	50919.5
Voice Network	Staff	113,186	0	0	0	113186
Voice Network	Communications Costs & Call Charges	544,441	406190	0	2058	952689
Voice Network	Telephone/Fax or Related Hardware	66,563	11208	0	Provided by CICT	77771
Voice Network	Supplies & Services	510	0	0	Provided by CICT	510
Voice Network	Controllable Support services	39	0	0	0	39
Voice Network	Equipment purchases G122, G100 and G020	143	0	0	Provided by CICT	143
Desktop	Staff purchase & commissioning	115,100	39900*	0	22996	138096
Desktop	Supplies & services	2,101	0	0	0	2101
Desktop	Desktop PC Purchases	212,084	263634	12587	217465	705770
Desktop	Desktop OS Purchases	0	0	0	0	0
Desktop	Desktop OS Maintenance/Licensing	0	33621	0	44229	77850
Desktop	Desktop Maintenance	0	31601	35436	0	67037
Desktop	Laptop PC Purchases	27,162	49264	7503	8099	92028
Desktop	Laptop OS Purchases	0	0	0	14818	14818

Desktop	Palmtop PC Purchases	3,712	1717	0	1572	7001
Desktop	Disposal Costs	474	4000	1825	0	6299
Desktop	External Contractors/Consultancy	0	0	10490	264	10754
Peripherals	Printers, Scanners, etc	40,641	63193	25519	98548	227901
Peripherals	Peripheral Maintenance	0	877	0	0	877
Peripherals	Consumables	0	61264	0	110	61374
Application Software	Software Purchase/Development	642,104	70667	153770	18034	884575
Application Software	Implementation - internal	0	0	33292	269140	302432
Application Software	Implementation - external PM etc	0	0	0	196803	196803
Application Software	Maintenance	108,685	47405	87182	110444	353716
Application Software	Support	0	0	0	0	0
Security	Staff	74,355	0	0	9198	83553
Security	External Contractors/Consultancy	0	0	0	5819	5819
Corporate Web Development	Staff	74,564	0	0	0	74564
Corporate Web Development	Maintenance	33,400	0	0	0	33400
Training	Staff	140,347	0	0	0	140347
Training	Supplies & Services	18,407	0	0	0	18407.19
Training	Controllable & non-controllable	74,988	0	0	0	74988
Training	Internal Training	0	0	121471	unknown	121471
Training	External Training	70,940	48089	900	4017	123946
Recruitment	Agency costs, advertising	15,472	60000*	1593	0	17065
Overhead	Accommodation (if unknown use £180 per sq foot per year)	178,300	70200	0	14018	262518
Overhead	Insurance	14,003	0	0	0	14003
Overhead	Power (Electricity, Gas, water & sewage)	752	0	0	0	752
Overhead	Travel Costs & Car Parking Charges	17,961	1800	0	12123	31884
Overhead	Supplies & Services G001	632	0	0	2000	2632
Overhead	Equipment purchases G122, G100 and G020	429	0	0	0	429
Overhead	Non-Controllable costs	368,955	646400*	0	0	368955
Overhead	Controllable Support services	11,051	0	0	0	11051
Overhead	Room bookings, amenities, etc.	13,949	0	1595	0	15544
Indirect	Downtime- (%users*average salary+burden)/124800*minutes	0	0	0	0	0
Indirect	Informal end-user support	0	0	0	0	0
Indirect	Cost of recovery (%Chance of disaster * Cost of recovery)	0	0	0	0	0
TOTAL		**7,945,707**	**1,900,383**	**1,324,612**	**1,652,035**	**12,822,737**