Executive Decision Report

Information Services Spending Review Programme

Decision to be taken by: City Mayor

Decision to be taken on: 3rd August 2015

Lead director: Director of Finance

Useful information

City Mayor

- Ward(s) affected: None
- Report author: Alison Greenhill
- Author contact details: 4544001
- Report version number: v3

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1. Summary

To agree the proposals of the Information Services spending review to achieve savings of £2.4m as a part of the Council's Spending Review Programme.

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2. Recommendations

That the City Mayor approves the proposals set out in this paper and to reduce the divisional budgets by £2.4m as set out in section 5.

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3. Supporting information

3.1 Background

The Information Services division has a net budget in 2015/16 of £8.9m (gross budget £13.6m) and an establishment of 206 full time equivalent staff. A summary of the budget is set out in the table below.

Service Area	Gross Expenditure £'000	Income £'000	Net Budget £'000
Development & application support	4,392	(424)	3,968
Business & contract services	1,008	(940)	68
Information management	934	(83)	851
IT replacement funds	700	(225)	475
Operations & technology support	5,750	(2,080)	3,670
Commissioned services	839	(989)	(150)
Total	13,623	(4,741)	8,882

3.2 Approach

Whilst the division is a support service, the increasing reliance on IT to deliver frontline services means that it is imperative that the service has both a business and customer focus. The Council increasingly relies on IT to facilitate the effective and modern delivery of services. Using IT and systems is no longer a specialism but an essential feature of everyday life. Having the appropriate structure within the council to provide the infrastructure, hardware, systems and support is essential therefore in scoping the spending review. As such the approach adopted in order to deliver a fit for purpose and cost effective service reviews the business in the following 3 projects:

- Staffing structure
- Technology & services
- Ways of working

3.3 Staffing Structure

The division currently employs 206 full time equivalent staff. The existing structure is particularly complicated, is not customer focused and does not reflect best practice in supporting a large and diverse organisation.

A staffing review is proposed which will look at the entire division with the following principles:
- Redirecting the focus on to "core IT";
- Customer focused
- Following sector good practice
- Streamline current activities whilst investing in key strategic capabilities
- Developing skills and nurturing talent

A new structure within the division will manage the business more effectively based on the principles of "pipeline ⟹ projects ⟹ operations". By organising the division in this way and focusing on core IT, the organisational review is expected to yield in the region of £1m pa towards the spending review once fully implemented.

3.4 Technology & Services

A project to review our standard product base and services ensuring that we deliver value for money has already started. In addition, historically, ICT contracts have been poorly managed with a passive approach to supplier and estate management. A targeted effort has and will continue to significantly reduce operating costs. The primary focus areas are as follows:

- Mobile Telephony
- Multi-Function Devices
- Storage Area Networks
- Direct Access/Two Factor Authentication

- Disaster Recovery
- Printing Services, including bulk mailing & distribution
- Telephony and Wide Area Network
- Review of Support and Maintenance Contracts

As an example the first item, mobile telephony, is already complete in that the award of a new mobile telephony contract from the incumbent EE to O2 will now deliver considerable savings and offer a more flexible arrangement. As part of the move to the new agreement our commercial teams are actively challenging staff that have not used the corporate devices provided to them so that they may be redeployed to other staff.

The underlying principles in this aspect of the spending review is to be commercial and to manage our contracts and suppliers in a way that we secure the service/product we require and at the most advantageous price.

The second aspect to technology is technical in that it focuses on how we deliver IT and with what. The council's infrastructure assets are constantly under review as technology changes and a plan is being developed for the medium term to reflect how we manage our networks and storage. This planned approach to technological solutions is expected to save £1.2m per annum by 2017/18.

3.5 Ways of working

Whilst certain areas of our ICT infrastructure have historically been leading edge (e.g. Microsoft Lync telephony), the authority is trailing in terms of adopting new technology strategies including "the Cloud" and Bring Your Own Device (BYOD). These technologies have the ability to reduce operating costs and provide more flexible working opportunities to mobile staff. We are also seeking to maximise our recent investment in the new Data Centre. Our key focus areas are:

- Microsoft, Cloud and Office 365
- End-User equipment (Flexible Working) and Virtualization Desktop Infrastructure (VDI)
- Bring Your Own Device (BYOD)
- Traded Services including Data Centre

The future use of Microsoft products requires detailed assessment and appraisal to ensure that we remain current, fit for purpose and cost effective. It is essential that appropriate consideration is given to the significant organisational impact that any product changes in this area has as part of the review.

Technology and the market moves very quickly in this area and we remain very traditional in our approach. As such the technology teams are exploring "best fit" approaches to procuring and supporting systems as and when contractual arrangements are coming to an end. A more mixed solution of providing in-house and out-hosted/outsourced system solutions is the desired direction of travel which also

gives an increased level of resilience.

The introduction of new ways of working takes careful planning and implementation to ensure that our staff, security environments and procedures are fit for purpose and that the division can support the resulting change effectively. As such, savings of £0.2m are projected as part of the first roll-out of this programme.

4. Financial, legal and other implications

4.1 Financial implications

Financial Implications

The above programme of work will reduce the department's net budget by £2.4m by 2017/18. This is profiled as follows:

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Information Services	600	1,200	2,400

Not all this saving may be available to the General Fund, as some may result in reduced charges to other parts of the council.

4.2 Legal implications

There are no direct legal implications arising from this report, save for the effect that any review may have on staff employment rights. Clearly, the Council needs access to sufficient support from professional/technical services in order to ensure that it fulfils its core statutory obligations and that it acts within the law.

As far as the 'process' of implementing savings measures is concerned, there should be compliance with our organisational policies (for example where organisational reviews are anticipated) and within this process an appreciation of our public sector equality duty.

Where there are changes to suppliers and services procured there should be engagement at an early stage with Legal to ensure that we have in place robust monitoring and performance provisions within the terms and conditions for future

service contracts. This will allow better and more robust contract management in the future.

Kamal Adatia, City Barrister (37 1401)

4.3 Climate Change and Carbon Reduction implications

There are no direct climate change implications associated with this report at this stage. However, many of the service improvements outlined may have implications when developed in more detail– including the potential in some cases to make a positive contribution to the Council's climate change targets, for example; the contract renewal of Multi-Functional Devices is expecting to make significant carbon savings, and prioritising the move to a cloud solution will reduce the need for back up onto tapes which are transported daily to Leeds. The Executive should expect to see any implications flagged up in the future reports it receives.

Louise Buckley, Senior Environmental Consultant (Climate Change), 37 2293

4.4 Equalities Implications

For proposed changes to front line services, the service will need to consider the potential equality impacts of those changes on service users during the process of developing/finalising proposals, recording any potential impacts on the appropriate equality impact assessment template. Any identified equality impacts will be presented in decision making reports to ensure "due regard" is paid to their implications. For organisational reviews, consideration of potential impacts on the service's workforce representation, the major equality consideration in regard to staff, will be undertaken during the review process and recorded on the appropriate equality impact assessment template. Otherwise, changes in workforce representation over time will be tracked and addressed through the annual employment monitoring report.

Irene Kszyk, Corporate Equalities Lead, ext. 374147

5. Background information and other papers:

None

6. Summary of appendices:

None

7. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?
No

8   Is this a "key decision"?

Yes

9. If a key decision please explain reason

The report proposes making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates.