Cabinet and Executive Report

Listening Learning Leading

AGENDA ITEM or REPORT NO 40/10

Report of Head of HR, IT & Customer Services

Author: Andrew Down

Telephone: 01235 540372

Textphone: 18001 01235 540372

E-mail: andrew.down@southandvale.gov.uk

Wards affected: All

Cabinet member responsible: Rodney Mann

Tel: 01844 281426

E-mail: rodney.mann@oxweb.net

To: CABINET

DATE: 9 September 2010

Executive member responsible: Jerry Patterson

Tel: 01865 730588

E-mail: jerry.patterson@whitehorsedc.gov.uk

To: EXECUTIVE

DATE: 3 September 2010

IT strategy and investment plan

Recommendation(s)

(a) That Cabinet / Executive adopt the proposed IT strategy, with the addition of a further principle that "the councils will take decisions to minimise energy consumption"

(b) That Cabinet / Executive approve the proposed IT investment plan, subject to the availability of funding in future years

(c) That Cabinet / Executive authorise the Head of HR, IT & Customer Services to commence the procurement of a system to replace Ocella and/or UNI-form for both councils, following the councils' procurement policy and procedures

(d) (South only) That Cabinet approve the transfer of £59,000 from the provisional capital programme to the approved capital programme in order to fund the replacement of PCs, laptops and firewall identified in the investment plan

Purpose of Report

1. This report presents the proposed IT strategy, already discussed at Joint Senior Management Board. Alongside the proposed strategy is an associated investment

plan and a proposal to begin the procurement process for a single system to replace Ocella at South and Uniform at Vale.

Strategic Objectives

2. The proposed IT strategy and investment plan contributes to the shared strategic objective of managing our business effectively. Careful investment in information technology, in line with the principles contained in the IT strategy, will bring savings through increased efficiency.

Background

3. As the two councils work more and more closely together it is clear that IT has the potential to enable more efficient ways of working and to realise cost savings. Conversely, poor IT will be an obstacle to success. Although we share a number of systems between the two councils, there are still many applications and aspects of the IT infrastructure which are very different, and we need to have a strategic framework which helps us to reach consistent and coherent answers to questions such as:

   - how do we get best value from our investments in IT?
   - how should we develop our IT infrastructure?
   - which elements of IT should be managed in-house and which externally?

4. We interviewed consultants and appointed NCC Group to work with us on the development of our IT strategy. The process has been led by Ant Harrison of NCC Group, who facilitated a series of four workshops attended by councillors, senior managers, technical staff and representative users of IT. The output from these workshops is summarised in the attached draft IT strategy and draft technical architecture strategy.

5. The draft strategy documents were presented to the Joint Senior Management Board (JSMB) on 28 June 2010. JSMB resolved to put forward the draft IT strategy to Cabinet and Executive with an accompanying action plan. It was also considered good practice to invite each council's Scrutiny Committee to review the documents and provide comments.

6. JSMB also asked that the draft strategy should be made available to all councillors and officers at both councils for comment. Following this consultation the climate change team has requested that we include an additional principle in the IT strategy to cover sustainability. I am therefore proposing an additional principle, to be added to the third group in the strategy document:

   "The councils will take decisions to minimise energy consumption."

Elements of the draft IT strategy

7. There are four main elements of the draft IT strategy, of which the first is a series of key strategic principles which will form the foundation of the decision making process. Application of these principles will ensure that IT investments are made in line with corporate priorities, in such a way as to improve the value obtained

from IT, and with a consistent approach to technology. Importantly, there is explicit recognition that the direction is to move the councils towards common applications and IT infrastructure.

8. Next is an analysis of the councils' IT applications. We made a start on this in one of the workshops, and since the workshops took place we have carried out a detailed survey of our employees. We received a total of 138 responses to this survey, in which we asked users of the various applications to rate them on a number of criteria to measure both the effectiveness and the importance of the applications.

9. In some cases there were insufficient responses to reach firm conclusions. Of those applications for which there are sufficient data, most were found to be both effective and important. These would not therefore be a high priority for further investment, except in cases where the councils are running separate systems and there is potential for efficiency improvements by adopting a common solution.

10. A few applications were found to be important but not effective. These will be high priorities for replacement or for remedial action.

11. A few applications were found to be effective but less important. These will not be high priority for further investment unless it is clear that efficiency improvements can be obtained by making changes.

12. None of our applications were found to be both ineffective and unimportant.

13. The third element of the strategy considers the technical architecture, including both the visible components such as desktop computers and the hidden parts of the network and computer room which provide the infrastructure on which the IT systems are built.

14. The technical architecture document is, as its name suggests, rather technical in nature. There is, however, a summary in the main strategy paper showing at a glance the current state of the main components of the IT infrastructure. In summary, much of the infrastructure has been in place for a long time and is now in need of attention. We will have to make investments in order to achieve a common operating environment which is fit for its purpose for the next few years.

15. Finally, the draft strategy discusses IT governance and proposes that the councils should establish a light touch governance forum for IT with responsibility for ensuring that all IT investments are evaluated according to the agreed strategic principles, and that the actions planned in relation to applications portfolio management and technical architecture investment are funded and executed.

Investment plan

16. Accompanying the proposed strategy is an investment plan which is divided into sections.

17. First, the major IT applications are identified, with timetable for harmonisation. Items proposed for the current year, 2010-11, are already in the service plan and can be met within existing budgets. Investments proposed for future years are estimated as follows:

	2011-12 South	2011-12 Vale	2012-13 South	2012-13 Vale
One off revenue costs	£27,500	£57,500	£25,000	£25,000
Recurring costs over and above current budgets	£0 to £11,000	-	-	-
Recurring savings	£0 to £30,000	£0 to £41,000	-	-

18. It is not possible at this stage to determine potential costs if, for example the councils wish to implement a new customer relationship management (CRM) system or electronic document and records management system (EDRMS). The requirements will be determined by the new customer contact strategy on which work is currently in progress, and by the circumstances of the councils once the more pressing harmonisation of major applications has been carried out. If there is a need for these applications then a business case will be made at the time, based on the principles of the IT strategy.

19. There are some direct savings that arise by virtue of harmonising systems. For example, based on indications already received from both suppliers I am confident that the total annual support and maintenance costs of Ocella or UNI-form when one system is in place at both councils will be less than the total paid at present.

20. There are indirect savings to be had from harmonisation. Some savings can be expected within the IT team: supporting one system rather than two will require less resource. In addition, all of the front line services have indicated that the potential efficiency savings available from joint working will not be realised until the systems are harmonised.

21. Next, our IT infrastructure requirements are detailed. Here the proposal is to complete those projects which are already in service plans for the current year, and then to explore opportunities for external provision of selected aspects of the infrastructure. The investment plan then sets out anticipated costs if we were to retain all the provision in-house, as this will provide a useful benchmark for comparison with external providers. The total investment requirements over the five years up to and including 2014/15 are estimated as:

    - South - £450k
    - Vale - £370k

22. Informed by each service team, we have also identified some quick wins, which are again split between applications and infrastructure. For applications, the proposed investment includes the employment of a software developer for 12 months, and is as follows (though it must be noted that it has not yet been possible to cost some items):

	2010-11 South	2010-11 Vale	2011-12 South	2011-12 Vale
One off capital costs	£5000	£12,000		
One off revenue costs	£9500	£9500	£9500	£9500
Recurring costs (to be absorbed)	-	£3000	-	-

23. Finally, the investment plan also includes proposed investment in some quick wins for the IT infrastructure. Much of the short term focus is on replacing older PCs at both councils, but particularly at Vale where many machines are more than six years old and are not adequate for the demands now placed upon them. The cost estimates for infrastructure quick wins are as follows:

	2010-11 South	2010-11 Vale	2011-12 South	2011-12 Vale
One off capital costs	£54,000	£59,000	£5050	£5050
One off revenue costs	£5000	£8500	£2250	£2250
Recurring costs (to be absorbed)	-	£500	£1500	£1500

24. I propose to meet the one-off costs for 2010-11 from a mixture of existing budgets and forecast underspends as described below.

25. At South the £59,000 capital costs can be met from the existing capital programme. I am proposing a transfer of £59,000 from the provisional capital programme to the approved capital programme, leaving £12,000 in the provisional programme for 2010-11.

26. The remaining £14,500 of one-off costs at South can be met from a forecast underspend on the HR recruitment budget.

27. At Vale there is an existing capital budget of £37,500 for replacement of PCs. There is a forecast underspend arising from the Wantage LSP, where expenditure in 2010-11 is lower than expected because of the early closure (budget was set on the basis of closing at the end of June), the redeployment of a member of staff (who therefore did not receive a redundancy payment), and the expected early disposal which reduces the maintenance costs. I am also soliciting contributions from other service teams from any forecast underspends of their own. If necessary I will reduce the number of PC replacements to match the available budget.

Property systems

28. Annex 1 describes the current set-up and likely procurement requirements for the Ocella / UNI-form replacement. We will almost certainly need to go through a full EU tender exercise, as we have not found a suitable OGC framework agreement.

29. We also need to take a decision on our approach to geographic information systems, and specifically whether to adopt the South method at Vale. This is covered in Annex 2.

Financial Implications

30. Financial implications are mostly covered in the body of the report.

31. For South only: the capital cost of this scheme is £59,000, which will be funded from the council's reserves. The council will lose interest of £295 a year (assuming an average rate of return of 0.5%) by spending this money rather than investing it as it does at the moment. If the authority wished to replenish the reserves over the estimated life of the scheme (5 years), then the revenue cost of this scheme will increase to £11,980 per annum.

Legal Implications

32. There are no legal implications arising directly from this report. The procurement of a replacement system for Ocella / UNI-form will follow the EU tendering process.

Risks

33. All IT projects contain some measure of risk. The proposed actions involve considerable IT change and each project has its own risk of failure or disruption. We will mitigate the risks by following our project management methodology and our usual processes for IT change.

34. In particular, the replacement of Ocella / UNI-form will be a major project which will require proper governance arrangements including its own project board. Important issues for this project will include communication, training and the engagement of employees in the change. Of technical importance will be the quality and accuracy of the migration of data, and ensuring that there is continuity of the provision of a system. The end result must be seen to be a step forward from our current position.

35. The risk of not proceeding with the harmonisation of applications is that it will be impossible for service teams to realise the full potential benefits and efficiency gains of joint working.

36. The IT infrastructure is already creaking. Desktop PCs at both councils are aging, though the situation is worse at Vale with large numbers of machines that are inadequate for current requirements. If we fail to invest in the infrastructure productivity of staff will fall and the effect will be demoralising.

Other Implications

37. Other implications are covered in the body of the report.

Conclusion

38. The proposed IT strategy provides a suitable framework for IT decision making for the two councils for the next five years, offering consistency of approach and convergence of systems.

39. The proposed IT investment plan provides a clear set of plans for the next two years which will see the bulk of the main IT harmonisation activity completed. It also sets out the infrastructure requirements over the full five year life of the strategy.

Background Papers

- Proposed IT strategy (attached, previously seen at JSMB)
- Proposed IT architecture strategy (attached, previously seen at JSMB)
- Proposed IT investment plan (attached)

Annex 1 – Ocella and Uniform

40. Both South and Vale make use of integrated software solutions, South using Ocella and Vale using IDOX UNI-form.

South

41. At South the following Ocella modules are in use, with the total annual software support and maintenance fee being £38,159:

- Planning
- Building Control
- Environmental Health
- Licensing
- Land Charges

42. Additionally, there is a gazetteer system, Acolaid supplied by Plantech, for which the annual maintenance fee is £2000.

43. The supplier, Ocella, is a comparatively small company. It sees this as a strength, making it more pro-active and receptive in delivering customer needs. It is competitively priced, uses no third party software, and is flexible in its approach to customisation of its systems. Although South does not currently utilise all of the modules, the system installed at South incorporates licenses for many of the modules currently required by Vale.

Vale

44. At Vale the following Uniform modules are in use, with the annual software support and maintenance fee being £41,382:

- Planning
- Building Control
- Environmental Health
- Renovation Grants
- Land Charges
- Estates
- Gazetteer

45. Additionally, there is a licensing system, LALPAC, for which the annual maintenance fee is £10,000.

46. Uniform is supplied through IDOX plc, a comparatively large company supplying people and property based systems to some 70% of UK local authorities. The company has returned over the last few years to a more customer focused approach. The Vale council does not currently employ formal GIS, but instead utilises the integrated mapping system incorporated into each of the Uniform modules.

Support arrangements

47. At South Ocella is supported by the IT Operations team. Additional functionality (new reports, etc) is provided by the IT development team. At Vale UNI-form is both supported and developed by the existing property data team.

48. Under the proposed IT Applications restructure, regardless of whether UNI-form or Ocella was the chosen software, support would be provided at both councils by the IT Operations team and new functionality provided by the IT development team, which would be shared by both councils.

Supplier discussions

49. Both existing suppliers have been approached to enquire about the costs in implementing the respective systems across both councils. Ocella have offered to extend their system to Vale at no additional annual maintenance cost, with a one-off data migration cost of £50,000. Vale would additionally have to purchase modules that Ocella do not supply to cover the gazetteer (Acolaid £15,000 one-off, £2000 annual maintenance). The total cost of Ocella and Acolaid for both councils over five years would therefore be £265,795.

50. IDOX have offered to extend their system to South under two different scenarios. For £75,000 maintenance per year the existing set up at Vale will be replicated at South (so both councils would then be paying £37,500 per year) with all current available updates applied at both sites. For £105,000 maintenance per year (£52,500 at both councils) the existing set up at Vale would be replicated at South with the understanding that any future developments to the system would be supplied free of charge, where they would ordinarily have been chargeable options. The data migration charge has been incorporated into the annual maintenance increases for IDOX. The indicative five year cost of the IDOX solution is therefore either £375,000 or £525,000.

51. Previous practice at the two councils has had more staff time at South devoted to enhancing the Ocella environment than has been the case with Uniform at Vale. The additional staff costs in the past suggest that the overall cost of Ocella may be closer to that of Uniform than the figures above would initially suggest.

Procurement

52. Should any life of contract cost exceed the EU threshold of £156,422, then an EU procurement must be undertaken. As the five year contract cost of either system exceeds this threshold, an EU procurement is likely to be unavoidable.

53. In certain circumstances the EU procurement process can be shortened by making use of an existing EU Framework agreement (a time-limited existing procurement agreement with a group of suppliers). We have not been able to find such

framework agreement which involves both IDOX UNI-form and Ocella, although there may be a possibility of using the SPRINT2 framework to procure a solution via an intermediary. We are checking whether this approach complies with EU regulations and our own procurement rules, but for the time being must assume that we will have to follow the EU tender route.

54. An EU wide procurement means we are likely to receive applications from suppliers other than Ocella and IDOX. The cost of implementing a third choice would likely be more expensive than that of implementing either of the incumbent suppliers due to two data migrations being required. The disruption to both councils from changing the system to a third option would also be greater, as both councils would be affected, rather than just one.

55. The entire procurement process is likely to last six months.

Annex 2 – Geographic Information Systems

South

56. South uses a combination of different ESRI technologies to provide both the internal corporate GIS and web-based GIS systems, as well as the data capture software. The annual maintenance charge for all ESRI software is approximately £19000.

Vale

57. IDOX UNI-form users make use of the integrated spatial mapping system. There are also limited additional GIS systems dotted around the council using differing software platforms and paid for by the service teams directly.

Support arrangements

58. At South the GIS systems are supported by IT Operations, and additional development work is undertaken by the IT Applications team. Data is captured into the GIS by a dedicated Data Capture team (also within the IT Applications team). The technologies on which the South GIS systems are built are approaching end of life, and there are plans to refresh the existing architecture (at no additional maintenance cost).

59. At Vale the UNI-form system is supported by the existing Property Data team. Only limited data is captured within individual service teams, no data (beyond point data for the gazetteer) is captured centrally.

60. Under the proposed IT Applications restructure, support would be provided at both councils by the IT Operations team, and development would be undertaken by a shared development team. The Vale property data team will take on responsibility for all data capture, increasing the volume of data that can be captured, and ensuring it is captured to an agreed (high) standard.

Supplier Discussions

61. We have undertaken discussions with ESRI regarding setting up a shared GIS system between both councils. We are entitled to move to new technologies under our existing maintenance contract at no extra cost, and ESRI are content that we could make use of the proposed GIS server architecture at South from Vale at no additional maintenance cost, thereby providing a browser based GIS system at Vale, supplied by a server from South.

Benefits of a shared GIS

62. There is benefit to Vale of the introduction of more spatial data. South have long been advocates of the use of spatial data, enabling easy graphical viewing of database entities (planning applications, listed buildings, land charge search areas, gazetteer properties, etc). Spatial data also makes searching much more reliable, enabling easy viewing of data entities which exist in the same spatial location (allowing automatic generation of planning history lists, the land charges con29 and llc1, etc), without having to rely on textual links. The introduction of more geographic data capture at Vale will allow for the creation of far more spatial data

than previously, making UNI-form spatial a far more useful tool, enabling the automating of currently time-consuming manual paper map searches.

63. Second, a shared GIS system across both councils would widen the benefit of GIS to those in shared services. This would allow a single application to show spatial data for both districts, enabling officers to more readily work from either site. For the public it would also the provide the GIS functionality which has been well-received at South, including 'My South Oxfordshire' as well as numerous live spatial data maps on the council's web site (planning application searching, for example). The IDOX UNI-form spatial environment, while providing some GIS functionality, is limited compared with the South GIS system. A shared GIS system would therefore greatly improve the effective use of spatial data at Vale.

Financial implications

64. There are no cost implications for introducing a shared GIS in terms of software maintenance. The main cost is the time for the IT Applications team to develop a server-based GIS architecture, and the time associated with attempting to undertake a GIS catch-up exercise at Vale.

65. The work in developing a new GIS system would be a large project for the IT Applications team, undertaken with existing resources.

66. As the Vale has only limited data in the UNI-form spatial system additional temporary resource (for one year) has been identified as important to enable priority spatial data is captured as quickly as possible.

Timeline

67. The decision on GIS can be made independently of the outcome of the Ocella / UNI-form procurement.

68. The strength of the existing South GIS is its ability to collate data from disparate data sources, and provide spatial access to that data from a user-friendly front-end. The South GIS is a system tailored to the requirements of the user base, which would not be the case with a GIS system delivered as part of an integrated software solution. Service Managers have been clear that their requirements for GIS at both councils are to be provided with a similar GIS setup to the South environment at both sites.

69. The Vale GIS, as it exists within UNI-form, is limited in functionality and in need of more adequate provision regardless.

70. The existing South GIS environment has been coded to be independent of the Ocella back-office system, with the graphics separated from the associated text records (linked by the appropriate reference). This means that it could be tailored to fit any back-office system.

The proposed server-based GIS environment would be structured in the same way (independent of the back-office), meaning that the process to begin its development need not wait for the procurement decision about Ocella / UNI-form.