ICT REVIEW - UPDATE

Report by Corporate Transformation & Services Director

Scottish Borders Council

25 June 2015

1 PURPOSE AND SUMMARY

1.1 **The purpose of this report is to present an update on the work completed since Council considered a report on the outcome of the review of Council ICT Services and made recommendations in respect of both the ICT strategy and resourcing at its meeting on 2 April 2015.**

1.2 The decisions made by Council at its meeting on 2 April 2015 are attached (Appendix 1).

1.3 Since the previous report the work completed has largely focussed on the planning of what is required to complete a report that contains all the relevant information for Council on 8 October 2015.

1.4 There are three key strands to the work currently being undertaken. They relate to:

a) Implementing the new Corporate Governance structure for ICT and a restructure of the management of ICT
b) Development of a detailed implementation plan for the ICT Strategy that will be led by the new interim Lead Officer ICT with input from all current ICT employees.
c) Considering the implications of the current procurement exercise being undertaken by the City of Edinburgh Council.

1.5 The report sets out the core work undertaken in relation to each strand and the anticipated work in the period to October.

2 RECOMMENDATIONS

2.1 **I recommend that Council:-**

(a) Notes the content of the report; and

(b) Agrees that a further report is considered no later than 8 October 2015.

3   BACKGROUND

3.1   Councillors and staff of SBC had voiced some criticisms and concerns surrounding the present ICT service. The comments covered perceived poor service, lack of speed, no clear strategy, difficulties in recruiting specialists and not seen to be supporting services or change.

3.2   A number of reviews of the ICT service have previously been undertaken in an attempt to address a range of Service delivery and strategic ICT issues. Given the comments noted above it is clear that the Service is not well placed to deliver future business as required.

3.3   The Council approved a new Corporate Transformation programme at its meeting on 12 February 2015. At the heart of this Programme are improvements to the Council's ICT Service. The scale of change required for this service is very significant indeed and even were the existing service performing very strongly, the Council would still have a gap in terms of strategic capability, planning, customer focus and transformation. It is clear that the Council has to source other skills and resources.

4   WORK COMPLETED

a) Governance

4.1   Membership of the new ICT Board has been agreed as:

Rob Dickson, Corporate Transformation & Services Director, (Chair), Donna Manson, Service Director Children & Young People, Jenni Craig, Service Director Neighbourhood Services, Claudette Jones, Interim Lead Officer ICT, Tracey Graham, Communications & Marketing Manager, Jason McDonald, Senior Manager Business Strategy & Resources, Lynn Mirley, Corporate Finance Manager and John Hayward, Development Standards Manager.

   a) Members of the ICT Management Team will attend as required

   b) The ICT Corporate Transformation Programme Manager and ICT Business Partners will attend as required

   c) The ICT Board will meet monthly and report to the Corporate Management Team (CMT) through the Transformation reports at CMT away days.

4.2   The Terms of Reference for the ICT Board are:

   a) Ensure ICT is aligned with the Council's business objectives
   b) Maintain ownership of Council wide ICT Strategy and its implementation
   c) Prioritisation of ICT change programme
   d) Drive ICT stakeholder engagement and communication
   e) Review of overall ICT performance against KPIs and PIs
   f) Ensure ICT benefits are realised
   g) Management of high level ICT risks and issues
   h) Escalation point for ICT issues that cannot be dealt with at a lower level.
   i) Tracking and improvement of customer satisfaction

4.3   It has also been agreed to establish six Sub-Boards as follows:

   a) Change Board
   b) Web Experience Board
   c) Technology Innovation Board,
   d) Corporate Systems Board (Focus on Financial and HR Systems)
   e) Two Departmental ICT Boards
      o one for People, and
      o one for Place

4.4   CMT agreed that the ICT Board should discuss the makeup of these Boards and recommend the membership to CMT. Terms of Reference for these Boards were included within the ICT Strategy.

b) Management

4.5   The management structure has been changed in respect of the ICT Business Partners with consequent adjustment in the shape of the ICT Management Team. The ICT management team is working to identify the outcomes required for 2015/16 from ICT in relation to the Review and Corporate Transformation Programme. The ICT Business Plan was completed on time as part of the corporate process.

c) Detailed Implementation Plan

4.6   The framework for the detailed Implementation Plan requested by Council on 2 April is being developed. Initially this is being done through staff workshops in two phases with a third almost certainly likely to follow.

   i.   Phase 1: initial engagement with staff (30 in total) through facilitated workshops to obtain their input and contribution in identifying the areas of greatest priority to develop the detailed implementation plan. Completed 11 June 2015.

   ii.   Phase 2: engagement with staff through eleven workshops with approximately ten staff at each workshop to consider each priority area in detail. Completed 22 June 2015.

   iii. Phase 3 (to be confirmed): further engagement with staff on the highest priority areas to ensure full engagement with all staff on these areas.

4.7   Phase 1 was completed on Thursday 11 June 2015.

4.8   Phase 2 commenced on Tuesday 16 June 2015 and will be completed on Monday 22 June 2015. The eleven workshops in Phase 2 are as follows:

   i.   Review of Scottish Borders Council ICT Strategy

   ii.   Likely future ICT requirements emerging from Corporate Transformation

   iii. Overview of Edinburgh ICT contract and outsourcing

   iv.   Data centre (including infrastructure, storage, security and DR)

v. End User Computing

vi. Applications (including systems administration and Business Intelligence)

vii. Service Management (including service desk, SLAs and Performance Management)

viii. Networks & Telephony

ix. ICT Governance (including business engagement, communications, and roles & responsibilities)

x. Financing of ICT

xi. Innovation

d) Skills Review

4.9 A skills review and assessment of existing staff is being undertaken. The need for this was raised by staff in advance of the Council meeting on 2 April 2015 and the purpose of the review is to ensure that we have comprehensive information available for all existing ICT Staff. This information will be helpful in supporting the business case required in October.

4.10 In order to complete the skills review an existing form that the Council already has was utilised. This is a form that many staff will be familiar with from previous reviews.

4.11 Undertaking the skills review in this way was discussed and agreed with the Trade Unions. HR has provided support in completion of the form directly to staff where required.

5   HUMAN RESOURCES

5.1 ICT staff and other stakeholders, including Councillors were engaged in the review process. This provided considerable detail on the current service and views on the way forward.

5.2 Since the report to Council on 2 April 2015 there have been further meetings with staff to brief them on the outcomes of the Council meeting and to further brief them on the development of the detailed implementation plan.

5.3 Staff Briefing Notes have been issued and these will continue to be produced on a regular basis. Additionally Staff have been able to submit questions to HR seeking clarification on any issues of concern to them.

5.4 Finally a programme of staff drop in sessions will commence following the Workshops on 22 June 2015 to provide a further opportunity for staff to discuss the review with Senior Officers.

5.5 Trade Unions have also been kept informed through regular meetings about the process and likely way forward. Trade Union input has been helpful in addressing concerns about Communications and engagement with staff. At least monthly briefings will continue to be held with Trade Unions.

5.6 Trade Unions will continue to be afforded the opportunity to be at all staff meetings.

5.7 Whilst the proposals have most direct impact on the circa 90 staff directly employed within the ICT Service CMT has considered the position in respect of a number of staff employed within certain services who also have an ICT function mainly as part of their role (ie for only a very few staff is it approaching the majority or all of their role). It has been agreed that the skills review will be competed on a generic basis (not individual) basis for these staff and that as the review process continues time will be taken to consider the implications of the review on each staff group. Thereafter any changes necessary will be made to the detailed implementation plan and business case as required.

6   MEMBER STEERING GROUP

6.1 At its meeting on 2 April 2015 Council delegated authority to the Chief Executive in consultation with Political Group Leaders to set up a Steering Group for the Review Process.

6.2 The Group has been agreed as:

Cllr Cook (Chair), Cllr Bell, Cllr Renton and a Cllr from the Opposition yet to be confirmed.

6.3 The Group is scheduled to meet week commencing 22 June 2015.

7   FUTURE WORK

7.1 There is clearly a considerable amount of work to be undertaken and the key milestones for the period to October are:

a)   July: Further workshops and engagement with staff
Detailed specification of future requirements in relation to Corporate Transformation completed.

b)   August: Specifications for services requiring to be delivered on an output basis complete (NB large piece of work).

7.2 Proposed approach to defining requirements,

a) review via further workshops the ICT (technical) specific requirements (current and future)

b) review / gather the business requirements (current and future) from each area of the business through further workshops and analysis.

c) peer review of requirements to ensure they are in-line with other similar organisation

d) Finally assess the strengthens, weaknesses, opportunities and threats of each option

7.3 First draft of a Business case comparing the options for the future operating model of SBC ICT. Options will include, do nothing (continue as now with no additional funding), remain in-house with additional investment, outsource, mix of in & outsourced, justification for roles that should be outsourced and those that should remain.

8   IMPLICATIONS

8.1 Financial

(a)   The Strategy agreed in principle by Council on 2 April 2015 proposes a new, more cost effective means of delivery and sourcing ICT. The specific IT system and service specification, revenue costs, capital investment requirements and risks involved remain to be identified and evaluated through a detailed business case that will be considered in the next report to Council.

(b)   Total costs of the new service require to be fully identified and will vary depending on the technology and model proposed, the final support service model agreed and the level of services provided.

(c)   As previously agreed by Council the proposed approach will have to be designed to achieve at worst a revenue neutral position after savings plans already factored into the Council's financial plans have been included. Capital Investment in systems replacement and redesign will be required to deliver significant elements of these savings in future years and the enhanced service benefits to the Council that are anticipated.

8.2 Risk and Mitigations

(a)   There are a range of risks and mitigations associated with this work. As part of the project being included within the Corporate Transformation Programme and as part of the new Governance Structure being implemented a full risk review will be undertaken quarterly and a consequent risk register will be maintained and considered by the ICT Board on a monthly basis.

(b)   Key risks and mitigation remain as previously reported and are:

   i. Competing pressures between delivering "business as usual" and delivering the ICT Review could result in a failure to deliver either or both elements of work on time. Mitigation is through the new Governance arrangements and Transformation Board which will allow frequent and transparent monitoring of progress against key milestones.

   ii. Progress of City of Edinburgh Council in appointing a preferred supplier for the main contract. Mitigation is that assuming a Joint Chief Officer ICT, SBC will be well placed to understand and influence this key element of work.

   iii. There is a risk through the project that there is a failure to maintain the commitment and co-operation of existing ICT staff. The proposals outlined to staff already and set out within this report, including their inclusion in workshops to contribute to the review work, should go a long way to mitigating this risk. In addition, a series of Drop-In sessions with Senior Managers and HR being offered should ensure that all staff have the opportunity to discuss any aspect of the review about which they are concerned.

8.3 Equalities

(a) An initial equality impact assessment (EIA) has been carried out on this report. It is recognised that there is likely to be an impact on staff as a result of the proposals and a fuller analysis of impact, likelihood and any associated mitigating actions will be required as part of the review work.

8.4 Acting Sustainably

(a) There are no significant impacts on the community or environment arising from the proposals contained in this report.

(b) The choice to provide services through an external supplier does give rise to possibility of some jobs not being retained within the Scottish Borders. The nature of the services required means that there is always likely to be many posts that are physically required to be based within the Borders. However, until a final position is agreed on exactly which elements of the Service will be provided by an external provider it is not possible to assess exactly what the potential impact will be.

(c) It should be noted that the use of an external supplier raises the possibility of such a company choosing to base more of their services here in the Borders. There are strong arguments in favour of such a move notably the lower cost of overheads including office accommodation and the opening of the railway improving connectivity. Were that option to be reality this could result in an increase in jobs based in the Borders

8.5 Carbon Management

(a) There are no significant effects on carbon emissions arising from the proposals contained in this report.

8.6 Rural Proofing

(a) This report does relate to the amended Strategy, however, this is internal to the Council and as a result rural proofing is not an applicable consideration.

8.7 Changes to Scheme of Administration or Scheme of Delegation

(a) There may be a requirement to amend the Scheme of Delegation as a result of the proposals contained in this report, specifically around the proposal of a joint appointment of the Joint Chief Officer ICT with the City of Edinburgh Council's. Should this be necessary these points will be addressed in the further report for Council.

9   CONSULTATION

9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.

Approved by

Rob Dickson   Signature ……………………
Corporate Transformation
& Services Director

Author(s)

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