Overview and Scrutiny Report

ICT Strategy Review

November 2017

North Tyneside Council

1.   Reason for the Study

1.1   The Overview, Scrutiny and Policy Development Sub-committee had expressed an interest in reviewing the ICT Strategy for some time. On 25 May 2017 it was agreed that a sub-group should be established to undertake this review.

1.2   The remit of the Sub-group was to review the Council's ICT strategy in the context of changing organisational and customer need, and underpinned by the Target Operating Model and delivery of the Creating a Brighter Future Programme.

1.3   The Sub-group set out to evaluate whether the Council has an appropriate ICT strategy in place and whether this strategy will meet the needs of the organisation going forward.

2.   Methodology

2.1   All non-executive members were invited to serve on the Sub-group. The following members volunteered to take part and were appointed to the Sub-group:

> Councillor Jim Allan
> Councillor Ken Barrie
> Councillor Karen Bolger
> Councillor Janet Hunter
> Councillor Anthony McMullen (Chair)
> Councillor John O'Shea

2.2   The Sub-group met on 5 occasions.

2.3   The Sub-group received information from the Head of Commercial Services and Business Redesign and the Head of Digital Strategy.

3.   Findings and Evidence:

Context

3.1   As background to the review, the Sub-group was informed that a Digital Strategy for the Council had been developed two years ago and before the introduction of the Target Operating Model (TOM). The Digital Strategy is intended to cover a 5-10 year time span. The ICT strategy forms one part of this wider Digital Strategy.

3.2   In addition, an overarching Delivery Plan is also in place and this provides an overall framework for the Council covering a range of strategies including: the Digital Strategy; a Capital Programme; ICT Delivery and the Customer Journey Programme. Within this framework there are a range of governance structures covering delivery against objectives.

3.3   The aim of the overall framework is to assist the Council in achieving a level of flexibility that will allow the organisation to adapt to the current and changing environment.

3.4   In relation to the Digital Strategy, while recognising that it is intended to provide an overarching and long-term vision, the Sub-group was of the view that it would benefit from an annual review to ensure that it is kept refreshed, and would also like to see the inclusion of a time-line to set out objectives to be achieved over the short to medium term.

ICT and the Council's Partnership with ENGIE

3.5   The Sub-group noted that ICT is one of the services delivered by ENGIE as part of a 15 year partnership contract. The contract is currently in Year 5. It is a complex commercial contract and the financial arrangements were fixed when the contract was set up.

3.6   The Sub-group was advised that under the contract ENGIE are contracted to deliver and support the 'business as usual' ICT services. However, on commencement of the contract it became apparent that it would be difficult for the partner to deliver on this basis due to an under investment in ICT infrastructure and hardware over the preceding period. In order to meet this need, additional capital funding of £1 million per year is being provided by the Council to replace old infrastructure and improve the ICT environment.

3.7   It was noted that the Digital strategy had not been developed at the time the contract was agreed. Subsequently, two additional appointments were made to the Council's senior management team in order to manage strategy between the two organisations and to oversee change control. These appointments were:

- Lisa Clark – Head of Commercial and Business Redesign and Client Manager for ICT Services;

- Ben Kaner – Head of Digital Strategy – a jointly funded post between the Council and ENGIE to aid transparent communication between the two organisations.

Performance Management

3.8   The Sub-group was advised that the partnership is managed via joint working between senior managers in the Council and ENGIE.

3.9   The contract has a number of weighted Key Performance Indicators (KPIs) which are reviewed regularly and renegotiated every year. The performance of the contract is monitored against these KPIs and reviewed by the Head of Digital Strategy and the Head of Commercial Business Redesign and signed of by the Operational Partnership Board.

3.10   A number of projects across the Council are dependent on getting the ICT systems right and consequently a new KPI has recently been added in relation to Project Delivery.

3.11   Members asked about democratic involvement in relation to the oversight of the contract. It was noted that the contract falls within the remit of the Deputy Mayor and that performance is also reported to the Strategic Partnership Board which has the involvement of Cabinet Members.

3.12   The Sub-group considered some of the most recent performance information. Members were advised that there have been a number of specific incidents that have impacted on availability of ICT services and these can be identified in the performance charts, but overall there has been a consistent performance over time in line with KPI's.

The ICT Strategy

3.13   The Sub-group was advised that the Council's developing approach to ICT is based on achieving a coordinated, organisation-wide development and governance approach, which avoids the development of disparate and potentially incompatible systems across the organisation.

3.14   The key aspects of the strategy are:

1. Core infrastructure improvements;
2. Support for increased mobility and agility;
3. Modernisation of main business applications and introduction of more cloud based applications;
4. Core transformation and maturity – establishing a new relationship between the Council and the Citizen, greater self-service, and compliance with data protection regulations.

3.15   A lot of ICT related projects are in planning or underway as part of the overall plan.

3.16   The initial focus of the strategy has been on infrastructure improvements which are necessary to move the Council from an ageing infrastructure to new and improved services. This is a difficult, complex and disruptive process and every effort has been made to implement improvements while maintaining services during the transition. The Sub-group was advised that significant improvements have been made, particularly in relation to internet capacity and security.

3.17   In addition, the desktop refresh will replace all current desktop hardware with laptops in support of a move to more agile working required by the Target Operating Model.

Customer Journey Project

3.18   The Sub-group recognised the importance of the Customer Journey Project and considered more detailed information about this project, including information on:

- The Overarching Project
- The Collaboration and Information Project (including Office 365 deployment)
- The Data and Analytics Project

3.19   It was noted that the Customer Journey Project is aimed at supporting the Target Operating Model (TOM) and all the wider redesign work that is being done across the organisation to deliver the TOM.

3.20   It was highlighted that there has been a shift in focus within the project itself. The project was initially based around the creation of individual applications in support of specific business cases. This is now moving towards a whole new system built around the customer, in support of a transformation in how customers access services.

3.21   A significant part of the project is based on digital/technological developments, but there is also an important element aimed at changing and redesigning services around the needs of the customer. A significant aspect of this is looking at re-structuring access to information around life events, including a greater use of signposting to other services and organisations.

3.22   The Sub-group noted that the following aspects of the project that are due to be delivered by March 2018:

1. Delivery of projects and applications to support business cases. These applications include the SIGN application; 'request for information' applications, including: Freedom of Information enquiries and environmental information requests; a Members enquiries application; Waste Permits Application; and the Deprivation of Liberty Safeguards Application.

2. Development of core components and functions. These include: an Organisational directory; user and customer accounts; 'identify me'; 'apply for it, notify me, query it, report it, pay for it, book it, find it'; and back-end system functions and non-functional requirements including security, audit etc.

3. A project approach focussed on life events. These include: identifying a list of agreed life events; the website to be configured and presented around life events; first three life events to be redesigned and applications developed; process and infrastructure in place to drive through life events.

It was noted that the first three life events under consideration are:

- Becoming homeless;
- Getting into financial difficulty; and
- Starting school.

4.   Software and services architected so they are flexible enough to sell to other Authorities/other markets.

3.23   The sub-group was advised that, in developing these projects, officers are giving early consideration to all complexities to ensure that the new systems will work well, will meet customer need, and will comply with new data protection regulations.

3.24   It was also highlighted that this shift in approach will take time to implement and to see results. In addition the 'whole customer' approach may have wider implication for organisation structure which may lead to organisational change.

3.25   The Sub-committee noted that officers are working with colleagues in Corporate Strategy to undertake consultation with residents in order to understand how residents use services and to identify any challenges that will need to be overcome in implementing change. This includes an emphasis on considering accessibility issues in relation to the redesign of the website. Members stressed the need to ensure that consultation and testing should involve residents with a mix of abilities to ensure that redesigned services are accessible to all residents, including those with low ICT skills or who may not have access to ICT facilities at home.

3.26   In relation to funding, it was noted that initial investment for the customer journey programme is currently in place until March 2018 and consideration is underway as to what happens after this.

Collaboration and Information Project

3.27   A major element of the customer journey programme is the Collaboration and Information Project. This includes the implementation of Microsoft Office 365 and SharePoint and the retiring of legacy systems (Open Text EDRMS; S and U drives).

3.28   This project is not just about technology, but is focused on changing the culture within the organisation to enable people to work more collaboratively.

3.29   Members noted that Microsoft 365 includes a lot of products that could be of benefit to staff and members. The new systems are expected to be more user-friendly than the current systems, but a lot of preparation is going into the implementation stage, recognising that it may raise challenges for some staff and members. The Council is working with it's implementation partner, Trustmarque, to provide training and to build capability.

3.30   The Sub-group was advised that a new commercial agreement had been concluded with ENGIE which will support the introduction of the new environment within the existing EDRMS revenue budget. From the Council's point of view, this will mean the organisation will have much better technology without additional costs.

3.31   The Sub-group noted that the implementation date of the project was yet to be finalised, but the design work was due for completion in mid-October 2017. The implementation will take into account other factors including other system changes, such as the introduction of the Liquid Logic system in Adult Services, and the need to avoid renewal costs linked to the existing Open Tech license which will expire in March 2018.

Data and Analytics Project

3.32   The Sub-group was provided with information on the data and analytics project which was focussed on new tooling to complement those already in use in the Authority. It was highlighted that tooling has been strengthened in some areas, for example new information analysis tools in the Policy Performance and Research team and a financial/HR data and analytics tool that will be rolling out soon.

3.33   Officers advised the sub-group that they are currently working in partnership with ENGIE to develop in-house tooling in some areas where they do not believe it is available in the current market, such as the ability to gain consent from citizens for appropriate use of their data in line with the new Data Protection Regulations. This offers the potential to sell this on to other authorities and therefore generate income.

3.34   The Sub-group was advised that part of this project is linked to the ability to handle new customer accounts and run data analytics across new sources of information. This could be used to spot patterns and analyse interventions and the ability to "push" information to citizens that may be of interest to them. Going forward the aim will be to deliver solutions against 'problem statements'. As an example: How do we identify who is most likely to have a life expectancy that is 10 years less than the average? And how much do we think that costs us as a local authority? Then what interventions do we make? Then what impact do those interventions have? In relation to this, consideration will be needed about how we identify and prioritise 'problem statements'.

New Ways of Working

3.35   The Sub-group requested information on progress within the organisation on new ways of working. This also included some information on 'bring your own device' and whether this approach was in line with the Council's Strategy.

3.36   The Sub-group was advised that some of the objectives of the digital strategy were aimed at enabling staff and elected members to work more flexibly. This will be underpinned by a move away from the use of fixed devices such as Thin Clients (TCDs) and move towards a laptop/tablet environment for all staff.

3.37 The main rollout is to replace 1250 TCDs. To date 550 have been completed. The target date for the roll out is mid January 2018. It was noted that there has been a substantial increase in the price of laptops of around 25% in the last year and this has had an impact on costs.

3.38 In relation to 'Bring Your Own Device', it was highlighted that this had been a popular concept in the recent past and the VASCO system is still in place for remote access to normal Council Work. However there has been a move away from 'Bring Your Own Device' due to an increase in cyber threats and the costs of security. In addition there is an additional cost in relation to providing IT support for a range of non-standard devices. It is now considered to be more economical for the Council to provide staff and Members with standard devices.

3.39 In relation to service delivery, many of the ICT improvements considered as part of this review are needed to support changes in the way the Council delivers Services. However, ICT changes are only part of the story, and there will be a need to encourage culture change across the organisation to move towards new ways of doing things.

3.40 Members discussed some of the changes under way in specific areas of the Council such as Social Work, and how ICT developments are supporting these changes by allowing greater agile working.

3.41 There was some discussion about greater use of new technology to support customer services such as social networks and contact with customers via video conferencing/Skype. The sub-group was advised that discussions are on-gong with Council Officers in relation to these kinds of developments as part of the customer journey project and the introduction of Office 365 which will support such developments.

3.42 The ICT strategy and the changes that are being made are aimed at facilitating and enabling the Council to implement new ways of working and delivering services. However it will ultimately be for the Council as an organisation to decide how it wants to re-design services around the technology that has been made available

ICT and Members

3.43 The Sub-group considered some of the implications of ICT changes for Members.

3.44 It was noted that the following developments are currently underway in relation to members:

1. ICT Devices for Members – It has been proposed that all members are provided with a device and a mobile phone for Council business. Consideration is being given to the most appropriate device to be provided, but this will probably be a tablet style device. Members will be supported in

moving to this new way of working and officers are currently working through the practicalities with Cabinet Members.

2. Improving the system and processes for reporting and tracking members enquiries via a Members enquiries application;

3. System to support paperless meetings, agenda and consultation (Modern.gov);

4. Members and access to and storing of documents (part of Office 365 environment). This links with data protection and the need to ensue Members are complying with data protection regulations.

3.45 It was acknowledged that, in order to make significant progress in this area, there will need to be support from Members to embrace the cultural change required.

The Capital Programme

3.46 Members considered the forward plan of the capital programme up to 2019-20.

3.47 Members noted some of the key elements that under consideration going forward, including:

- Consideration of moving to cloud base telephony.
- Reviewing the BMS system which is expensive to license and not fit for current ways of working;
- The closure of the depot in Killingworth and a move to new systems in the Cloud to avoid the need to back up.

3.48 There was some discussion about plans for Kier in-sourcing and the issues this will raise in terms of where to locate the data that will have to be migrated back from Kier's corporate systems. Discussions on this are due to begin as there is a tight time scale for developing a solution. Members raised a concern that exit arrangements may not be fully considered at the outset of outsourcing arrangements and this is something that may need further consideration in relation to the Council's current and future partnership arrangements.

4. Conclusions and Recommendations:

4.1 As a result of the information considered during the review, the Sub-group concluded that there is evidence that the foundations are being put in place to update, transform and improve ICT services. However, members had some concerns that the benefits of this work are yet to be felt by the users of ICT across the Council, and Members are keen to see the benefits become evident as quickly as possible.

4.2 Members of the Sub-group were also generally supportive of the overall direction of travel, particularly in relation to plans to re-design services and access to information around the needs of the customer, with a focus on major life events.

4.3 The Sub-group identified a number of recommendations to Cabinet as a result of the review and these are set out below:

The Sub-group recommend to Cabinet that:

1. The Digital Strategy is subject to an annual review to ensure it is refreshed on a regular basis, and that consideration is given to including a timeline setting out when objectives will be achieved, particularly shorter term objectives covering the next 12-18 months.

2. There is clear democratic accountability in relation to the management of the contract with ENGIE and the wider ICT Strategy, and that the Overview, Scrutiny and Policy Development Committee has a specific on-going role in reviewing the performance of the contract and the delivery of projects within the ICT Strategy.

3. Communication to staff and Members in relation to the ICT Strategy and the ICT projects that are underway is enhanced to raise awareness of the various strands and the linkages between them.

4. SLT and the Council's partners are pro-active in encouraging all staff to embrace the opportunities offered by ICT innovations and to fully utilise ICT to improve efficiency, underpinned by comprehensive training for all staff on new systems.

5. That a cross-section of residents with mixed technical ability are involved in consultation and testing around the re-design of Council services, to ensure the accessibility of re-designed services.

6. In relation to future developments around data and analytics, to ensure that Scrutiny members are involved in the development of ideas about how residents' data is used and analysed, and have oversight of how these developments are implemented.

7. To consider the training needs of Councillors in relation to the introduction of Office 365 and Sharepoint, particularly in relation to Data Protection requirements around the storing and accessing of documents.

8. Given the data transfer issues that have arisen from the recent Kier in-sourcing decision, that exit plans are developed for all current partnership arrangements, and at the outset of any future arrangements, to fully consider the ICT implications.

9.	While recognising the difficult financial situation, to consider whether any additional Capital funding could be allocated to speed up improvements and the roll-out of ICT equipment, particularly where investment would allow savings to be realised.

5. Background Information

- Overview, Scrutiny and Policy Development Committee report, Establishment of Sub-group – 25 May 2017
- Background Reports and notes of meetings of the ICT Strategy Sub-group
- Digital Strategy

Further information

For further information about this review please contact:

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