



**EXECUTIVE SUMMARY AND IMPROVEMENT PLAN TO:
CABINET - 1 OCTOBER 2003**

**BEST VALUE REVIEW REPORT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY (ICT) SERVICES**

1. INTRODUCTION

- 1.1 This report, produced by the self-assessment team, informs members about ICT Services, the process used to undertake the review and the outcomes from the review. The report seeks approval to an Action Plan for continuous improvement over the next five years (July 2003 to July 2008).
- 1.2 The report draws on inputs from the self-assessment team, customers, stakeholders, members, external consultants and the Best Value Review Board.

2. EXECUTIVE SUMMARY OF KEY OUTCOMES

- 2.1 Review costs and savings
- 2.1.1 The overall current cost of the service is approaching £1m (or £1.9m including planned capital investment and leasing costs).
- 2.1.2 The overall cost of the review is £14,000.
- 2.1.3 There is the potential to achieve efficiency savings over five years. It will not be possible to calculate the anticipated value of any such savings until the proposed re-organisation of ICT Services is finalised.
- 2.1.4 Potential external income has been identified through a combination of bidding for grant funding and via a joint marketing agreement for the Customer Services system.
- 2.2 4Cs key activities of the review
- 2.2.1 The self-assessment team commissioned Lloyd Davis Associates plc (Management Consultants) to undertake the cost and **compare** element of the review. The primary objective of the work was to compare the costs of the ICT Service with other local authorities and commercial organisations and to interpret these findings against the consultants' own wide experience of ICT service units within Local Government.
- 2.2.2 The benchmarking exercise drew on three sources of data:
- The Society of IT Managers (SOCITM) key performance indicators.
 - The National Computing Centre performance statistics for 2001.
 - LDA plc's own benchmark information based on similar Best Value studies conducted for other clients.

- 2.2.3 The compare exercise also looked at the quality of the ICT Service provision compared to other suppliers across a range of sectors. This analysis considered:
- The scale of the support provided.
 - The overall costs of ICT support in New Forest District Council.
 - The quality of support provided.
 - Progress being made on implementing e-Governance.
- 2.2.4 Additional comparative data on progress in implementing the e-governance initiative was obtained during a review of the management arrangements for ICT and the implementation of E-Governance carried out by the District Auditor in the summer of 2002.
- 2.2.5 The **competete** element of the review was informed by the comparative cost data provided in the consultants report. In addition to this analysis, the Assistant Director Resources (Customer Services) and the Assistant Director Resources (ICT Services) undertook a market testing exercise. This involved working with an outsourcing supplier to develop a commercial proposal to provide a managed (ICT support) service in the Tax and Benefits service.
- 2.2.6 The Tax and Benefits Service is ICT intensive and provides a very good operational area for market testing. The cost benchmarking data and the proposal provided by the managed service supplier combine to supply a good indication of the competitiveness of ICT Services.
- 2.2.7 The **consult** element of the best value review comprised the following activities:
- A briefing for the portfolio holder and Members assigned to the Best Value Board.
 - A key stakeholders workshop (comprising service managers) to determine how good the service was perceived to be and to identify areas for improvement.
 - A customer / user satisfaction survey (comprising 137 completed questionnaires).
 - Interviews with employees working in devolved IT support roles.
 - A workshop with employees providing devolved IT support and their managers to consider the options for a revised operational format.
 - Workshops with the ICT Services Team to consider the initial findings and to identify any other areas for improvement.
 - Interviews with a sample of ICT Services employees and the external consultant.

2.2.8 The **challenge** element of the review posed two key questions:

- Should the service be carried out at all?
- Should the service be undertaken in-house or externalised?

2.3 Key Review Outcomes

2.3.1 The consultants produced a detailed report with a great deal of comparative data. The report concluded that ***the ICT Service has many strengths with clear aims and an ICT Strategy for the next three years supported by an investment programme. It is well managed, staff are customer focused and it has in place clear policies and procedures that support the business needs of the Council and its customers.***

2.3.2 The consultants did emphasise that the capacity of the technical support team needs to be increased by **at least two employees** to improve response and resolution times and to provide more effective support to users generally.

2.3.3 The cost and comparison analysis undertaken by the consultants placed ICT Services within the **median** of councils both for meeting service quality and service costs per user, although there were several areas where the performance of ICT Services was well above average performance.

2.3.4 The proposal from the managed services (outsourcing) supplier was in the region of £100,000 per annum higher than the current costs of providing the service, using ICT Services and its partners.

2.3.5 There is scope to produce **cost savings and to generate income** by:

- Reviewing the structure and composition of ICT Services in order to redeploy resources to boost technical support to end-users.
- Reviewing the technical infrastructure and taking opportunities to consolidate servers and reduce maintenance costs.
- Exploring commercial partnerships.
- Proactively bidding for ICT investment funding in the form of grants.
- Exploring the potential to sell services to other agencies where capacity allows.

2.3.6 A number of **service improvements** have been identified through consultation with ICT Services employees, stakeholders, customers (via the satisfaction survey) and in comparison with other ICT Service providers. These include the following actions to go forward in the service improvement plan set out in Appendix A.

2.3.7 These service improvements can be grouped under four themes as follows:

Improving the provision of technical support to end-users

- The operation of the ICT help desk needs to be reviewed to increase capacity, improve cover, provide regular feedback to users logging calls and to improve response times for high priority calls.
- The structure of ICT Services should be reviewed to ensure that more resources are focussed on supporting the end users.
- The capacity of the technical support team needs to be increased by at least two employees to improve response and resolution times and to provide more effective support to users generally.
- Response and resolution times set for the technical support team need to be made clearer to end users and more closely monitored by ICT Services.
- To further improve the provision of technical support, ICT Services must complete the implementation of remote support software to enable a more effective coverage of users based at outlying sites (e.g. recreation centres and local information offices).

Developing and maintaining specialist areas

- The full resource implications for projects in the ICT work programme need to be assessed from a technical implementation perspective to ensure that post implementation support is sufficiently planned for.
- The Assistant Director Resources (ICT Services) and Directorate Management Teams must strive to develop contingency plans to buffer the impact of losing key personnel (e.g. experts in particular systems).

Improve communications and clarify responsibilities

- The responsibility for identifying equipment to be replaced and managing the associated funding implications needs to be clarified between Accountancy Services and ICT Services and made clear to budget responsible officers and end users.
- There is scope to improve already good relationships that exist between ICT Services and the devolved ICT support employees. This could be achieved by creating an ICT support group.
- There should be more comprehensive communication on ICT policies and procedures (e.g. moving to flat screen monitors). An ICT support group could help to achieve this improvement.

Improve the access to and the delivery of ICT Training

- There is scope to offer wider access to ICT training using a blended approach including traditional classroom techniques through to internet and intranet-based training. This aspect of the service needs to be developed.

- The provision and effectiveness of ICT Training should be reviewed with the Head of Personnel Services and Training Co-ordinators, in order to take account of initiatives such as the European Computer Driving License.

2.3.8 Internal **policy changes** have also been identified during the review. These changes include the following:

- The need to develop an information strategy linking departmental systems together so that services can be joined up internally and with other partners. This could be derived from the Council's Contact Centre approach; helping to determine which systems could be more tightly integrated. The information strategy will also need to address the Council's Land and Property data in order to support national projects such as the National Land Information System (NLIS). This exercise would need to be closely linked to the work being undertaken in response to the Freedom of Information Act and Data Protection.
- The Best Value Review of the Environmental Health Service provided an opportunity to review the devolved IT support role within that service. It was agreed with the Head of Environmental Health to transfer the post to ICT Services in order for a higher level of direct ICT support to be provided to the service.
- The re-organisation of the former Environment Directorate provided an opportunity to review the strategic location of the Geographic Information Systems team (comprising three employees). It was agreed to transfer this team to ICT Services to enable a structured work programme to be developed and to assist in aligning the use of geographic information with the e-governance strategy.
- The implementation of the (networked) facilities and member booking system in use at the recreation centres introduced a requirement to maintain the system and support users from one location. In consultation with the Leisure Management Team it was decided to place the responsibility for this role in ICT Services.
- During the review an opportunity was identified to transfer the responsibilities for ICT Security to the Audit Manager. This will enable the function to be linked with the provision of guidance on data protection and compliance with the Freedom of Information Act. The District Auditor has always been complimentary of the Council's ICT security arrangements, however placing the role with the Internal Audit service does represent good practice. This revised arrangement will require the council's ICT Security policy to be updated to reflect revised delegations.

2.3.9 The self-assessment team has given consideration to the **recommended delivery options** for ICT Services. The options considered were as follows:

- Externalise the service to an outsourced ICT provider.

- Re-organise the service to implement the service improvements identified during the review process.
- Fully devolve the service to departments.
- Fully centralise the service.

2.3.10 The options were considered in a workshop with representatives of the self-assessment team and with stakeholders. The preferred option is to **reorganise the service to implement the improvements identified during the review process**. The strong message coming out of these workshops was that things are working well at present but there is scope to make improvements, for example with regard to contingencies for key personnel (e.g. in devolved IT support roles) leaving the authority and in the provision of technical support.

2.3.11 The advantages and disadvantages of the various options are considered at Appendix B.

2.3.12 There are significant changes proposed in the operational format of ICT Services. The principal challenge is to increase the level of technical support resources (as recommended in the consultants' report) without increasing the costs of the service. These changes will need to be achieved as soon as possible in order to ensure that the development of electronic service delivery and the consequent changes in the ICT infrastructure are supported efficiently and economically. The initial activities will include:

- Reviewing the structure and operation of ICT Services, taking opportunities to concentrate resources into "front line" user support roles.
- Reviewing the operation of the ICT help desk and transferring call logging to the Customer Services team.
- Providing the technical support team with access to tools and technologies that would enable remote sites to be better supported from a central location, minimising the need for visits and so reducing response times to calls logged with the help desk.
- Devoting more time to managing the relationship with customers, keeping them more informed about new initiatives and new technologies.
- Examining the scope to further develop strategic partnerships with the private sector enabling the in-house team to concentrate on core functions.
- Responding to new and as yet undefined support requirements of electronic service delivery as the Electronic Governance Strategy is implemented.

2.3.13 For the consultants benchmarking exercise, the self-assessment team produced performance data to be fed into and compared with nationally agreed key performance indicators in a database operated by the Society

of IT Managers (SOCITM). The service performance of ICT Services against these key performance indicators (KPIs) is analysed in detail in the consultants report and summarised at Appendix C.

2.3.14 **Service performance targets and projections** have been derived from the national database maintained by the Society of IT Managers (SOCITM). SOCITM in collaboration with the IDEA has identified 12 key performance indicators against which ICT departments should benchmark. These are listed below and have been considered as part of the review:

- Customer Satisfaction.
- Percentage of Calls Resolved Within Agreed Timescales.
- Percentage of Successful Projects.
- Acquisition Cost of Workstations.
- Total Cost per Connection to Voice Network.
- Total Cost per Connection to Data Network.
- Support Costs per Workstation.
- Workstations Supported per Support Specialist.
- Ratio of Workstations to Employees.
- Number of Training Hours Received for an Employee.
- Availability of the ICT Service.
- Accessibility of Information to the General Public (BVPI 157).

2.3.15 The data provided for these nationally recognised key performance indicators provides vital information for the development of the improvement plan.

2.3.16 An effective deployment of ICT is essential to the achievement of corporate objectives. The Corporate Plan sets out what the Council sees as its role in the future of the New Forest district, the principles behind how it works and what it aims to achieve.

2.3.17 One of the Council's main aims is to provide an *organisation of excellence*. Making the best use of new technology is highlighted in the Corporate Plan as being fundamental to this aim. The ICT work programme set out in the service plan for ICT services comprises a number of projects aimed at achieving our aim to be an organisation of excellence.

2.3.18 The performance management framework is based on a process of comprehensive service planning. The performance management framework requires the business case for ICT investment plans to be included in individual service plans. These service plans are to be

reviewed by the Assistant Director Resources (ICT Services) to ensure that ICT investment is closely aligned to these plans. From 2003/04 the ICT work programme will be constructed from the corporate plan and the related service plans flowing from it, so improving the links to corporate objectives.

3. BEST VALUE BOARD

- 3.1 Councillors Pemberton, Shand and Ward operated as lead scrutiny members for this review and were satisfied that the process was robustly undertaken in an open and honest way.
- 3.2 The Best Value Board has independently inspected the review and has included some additional issues to be incorporated in the full report and improvement plan. The full report of the Best Value review can be found on Forestnet under "Best Value".
- 3.3 Their overall assessment of the review is that *the review team should be commended in carrying out such a comprehensive and challenging review of ICT Services in accordance with the four "Cs". They have endeavoured to address each of the "Cs" vigorously and have involved key stakeholders throughout. A large amount of consultation has taken place, the result of which has been incorporated into the Improvement Plan. The service has not been defensive and has been subjected to robust challenge, resulting in a favourable assessment when compared to similar services and competitors. The implementation of the Improvement Plan will most certainly result in an enhanced service for the Council.*
- 3.4 The overall judgement of the Review Board is that the ICT service is a promising 2-star service with the potential to improve to an excellent 3-star service following the implementation of the Improvement Plan.

4. RECOMMENDATIONS

- 4.1 That the Action Plan for continuous improvement of the service as set out in Appendix A are approved.
- 4.2 That those actions not requiring additional resources be implemented in accordance with the timetable.
- 4.3 That those actions requiring additional resources are met by efficiency savings, or are not implemented until sufficient budgetary provision is provided.

APPENDIX A

ICT SERVICES IMPROVEMENT PLAN (2003 – 2008)

Action	Commence Action	Completion Date	Lead Officer / Stakeholder	Priority
Review the structure and composition of ICT Services to increase the capacity of the technical support team (by at least two employees) to improve response and resolution times and to provide more effective support to front line users.	Jul 03	Mar 04	KC / DoR	High
Review the operation of the ICT help desk to improve cover, increase capacity, provide regular feedback to users logging calls and to improve response times for high priority calls.	Jun 03	Dec 03	KC/FH	High
Implement remote support software tools to enable a more effective support for users based at outlying sites (e.g. recreation centres, local information offices and visitor information centres).	Jun 03	Dec 03	MS	High
Response and resolution times set for the technical support team need to be made clearer to end users and more closely monitored by ICT Services.	Sep 03	Ongoing	FH	High
The full resource implications for projects in the work programme need to be assessed from a technical support perspective to ensure that post implementation support is sufficiently planned for.	July 03	Ongoing	KC	High
The responsibility for identifying equipment to be replaced and managing the associated funding implications needs to be clarified between Accountancy Services and ICT Services and made clear to users.	May 03	May 04	KC / PH	High
To review with the Director of Resources, the financing arrangements for ICT investment, in order to reduce costs where possible.	Sept 03	Mar 04	KC	High
Maintain key performance data based on the SOCITM KPIs with effect from 2004/05.	Dec 03	Dec 08	KC	High

APPENDIX A

ICT SERVICES IMPROVEMENT PLAN (2003 – 2008)

Action	Commence Action	Completion Date	Lead Officer / Stakeholder	Priority
The Assistant Director Resources (ICT Services) and Directorate Management Teams must strive to develop contingency plans to buffer the impact of losing key personnel (e.g. experts in particular systems).	Oct 03	Oct 04	KC / DMTs	High
Become more pro-active in bidding for external funding for ICT investment.	Oct 03	Ongoing	KC / CMT/ e-governance team	High
The provision and effectiveness of ICT Training should be reviewed with the Head of Personnel Services and Training Co-coordinators, in order to take account of initiatives such as the European Computer Driving License.	Apr 04	Apr 05	KC / Head of Personnel and TCOs	High
Prepare a comprehensive Disaster Recovery Plan with the ICT Security Officer.	Sep 03	Sep 04	KC	High
Gain greater commitment and raise general awareness of the E-governance strategy	Sep 03	Dec 06	KC/EG Team	High
Develop a more detailed project programme for the E-Governance Team	Feb 03	Apr 03	KC/EG Team	High
The Assistant Director Resources (ICT) should continue to work closely with appointed e-champions and report formally on progress to the Strategy Board/Steering Group	Sep 03	Dec 05	KC/EG Team	High
Increase the emphasis on purchasing environmentally friendly computer equipment with the Council's suppliers.	May 03	Dec 06	KC/Suppliers	High
Develop and promote the role of the ICT Services Account Manager to maintain effective communications with customers, awareness of ICT initiatives and to take up ad hoc issues with users of the service.	Oct 03	Mar 08	KC/FH	Med
To keep under review the provision of devolved IT support and to ensure that good communications exist on ICT development issues.	Sep 03	Ongoing	KC / Devolved IT Employees	Med
Raise a greater awareness amongst user management of the basis for ICT recharges.	Oct 03	Mar 04	FH	Med

APPENDIX A

ICT SERVICES IMPROVEMENT PLAN (2003 – 2008)

Action	Commence Action	Completion Date	Lead Officer / Stakeholder	Priority
Develop structured training plans for ICT employees.	Sep 03	Ongoing	ICT Management Team	Med
Review and update the ICT strategy and produce an information management strategy.	Aug 03	Jun 04	ICT Management Team / DMTs/ CMT	Med
There should be more comprehensive communication on ICT policies and procedures (e.g. moving to flat screen monitors). An ICT support group could help to achieve this improvement.	Jan 03	Ongoing	KC	Med
Some scope to improve the quality of communications on ICT initiatives within and beyond the Council has been identified.	Apr 04	Mar 08	FH	Med
Carry out a comprehensive assessment of the funding, skills and training required to implement the proposed programme	Oct 03	Mar 04	KC/EG Team	Med
Consider improving public consultation with regard to the acceptability of the improved service proposals in the e-government programme.	May 03	Dec 06	KC/EG Team	Med
Develop and implement an action plan to reduce the amount of paper being produced and circulated through a combination of technology and culture change.	May 03	Dec 06	KC/EG Team	Med
Work with colleagues to promote energy conservation measures such as turning off PCs when not in use.	May 03	Dec 06	KC/EG Team	Med
Periodically market test ICT Services to ensure that the Council is achieving value for money.	July 06	July 08	KC/ CMT	Low
There is scope to improve already good relationships that exist between ICT Services and the devolved ICT support employees. This could be achieved by creating an ICT support group.	May 03	Ongoing	KC / Devolved IT Employees	Low

OPTIONS CONSIDERED FOR SERVICE DELIVERY

The self-assessment team have given consideration to the options for the delivery of ICT Services. The options considered and the advantages and disadvantages of each option are set out below:

Externalise the service to an outsourced ICT provider.

Advantages	Disadvantages
Access to the resources of a larger ICT organisation	Risk of compromising progress on e-governance strategy
Potential to achieve some scale economies	Difficult to respond to business / organisational changes without increasing costs
Reduced overhead in terms of supplier management	Difficult to specify service requirements in a regularly changing environment
Enhanced development opportunities for some ICT Services employees	Patchy track record of ICT outsourcing in local government
Enhanced access to Disaster Recovery Arrangements	

Re-organise the service to implement the improvements identified during the review process.

Advantages	Disadvantages
Re-organisation of service provision tailored to the needs of users	
Builds on the positive perception of ICT Services	
Continuity of progress on ICT development and support	
Maintains good knowledge of the Council organisation, its priorities and the user base.	

Fully devolve the service to departments.

Advantages	Disadvantages
Closer direction of ICT Resources by departmental management.	Harder to maintain corporate standards for procurement, security, supplier management.
	Difficult to control costs
	Increased management overhead and possible duplicity of roles
	Requirement to maintain corporate systems (e-mail, networks, web and intranet) remains

Fully centralise the service.

Advantages	Disadvantages
Consolidates management arrangements for ICT development and support	Perceived loss of direct access to "IT experts" in the operating in departments
Supports the corporate development of ICT	
Re-enforces the objective to develop contingency for key personnel leaving by developing back up capability	

SOCITM KEY PERFORMANCE INDICATORS

	Performance Indicator	LDA Plc Report Comment
KPI 1	Customer Satisfaction	63% of those surveyed rated the overall service as above average to high.
KPI 2	Percentage calls resolved within agreed timescales – Used to measure the ICT Service Unit in restoring the service within an agreed time-scale after a user has reported an operational problem.	From help desk reports this has been recorded at 86% placing ICT Services in the upper half of the SOCITM database.
KPI 3	Percentage of successful Projects.	NFDC does not currently record data for this performance indicator.
KPI 4	Procurement costs per Workstation.	£1,029 including procurement costs reflects the procurement of high specification workstations. This is thought to be a justified decision.
KPI 5	Costs per connection to voice network.	At £140.00 per point, NFDC has a slightly lower than average cost per connection to its voice network.
KPI 6	Cost per connection to the data network.	At £150.04 the cost per connection to the Council's data network places it amongst the most competitive of the local authorities using the SOCITM database.
KPI 7	Support costs per workstation	At £310 per workstation, the cost of support is amongst the middle range of Council's reporting on the SOCITM database.
KPI 8	Workstations supported per desktop (technical) support specialist.	Each technical support officer supports 158 workstations, indicating that ICT Services is under resourced in the provision of workstation support.
KPI 9	Ratio of workstations to Employees.	The Council has a 99.4% ratio of workstations to employees (including members), which places it at the top of the SOCITM table.
KPI 10	Number of training hours received per employee.	No comparative data available at time of review.
KPI 11	Availability of the Service (e.g. statistics on server/network downtime.	This data is not being currently being recorded by ICT Services.
KPI	Electronic Service Delivery (e-enabled interactions)	When making comparison with the LDA sample of local authorities (for 2001/02), the NFDC percentage at 43% was significantly above the average of 31%.