

ICT INVESTMENT UPDATE

1. PURPOSE

- 1.1. The purpose of this report is to detail ICT investment since April 2017 and provide the medium term financial plan implications for delivering the ICT Strategy 2018-22.

2. BACKGROUND

- 2.1 Council agreed in February 2017 to a £1.5 million ICT Protect and Maintain budget over the following 3 years, with the majority of costs falling within 2018/19.
- 2.2 This fund was to supplement our ongoing replacement of our frontline and desktop equipment, which equated to £715k over 4 years, which has since been accelerated to enable Smarter Working to be implemented in 2019.
- 2.3 Cabinet agreed a further investment of £750k as part of the Smarter working programme to cover the replacement of Exchange 2010 with Office 365 (phase 1), the replacement of the Avaya telephone system with Skype for Business (phase 2), and the replacement of Meridio EDRMS with SharePoint (phase 3) between 2018 and 2020.

3. PROTECT AND MAINTAIN ICT BUDGET

- 3.1 The key strands of investment have been as follows:
 - 3.1.1 Replacement of the aged and 'out of support' ICT infrastructure (covering circa 650 individual items including servers, storage, networks, remote working software, security management software, new data centre provision in a 'private cloud', virtualisation software, and all necessary licensing).
 - 3.1.2 Replacement of the 'out of support' Agresso Finance Application with an up to date and industry standard Business World Application.
 - 3.1.3 Replacement of the 'out of support' Agresso HR/Payroll Application with an up to date and industry standard MHR Application.
 - 3.1.4 Implementation of site-wide Wifi at ATC and MLD, enabling staff and members to work from any part of the building without the need for network cables.
 - 3.1.5 Upgrade of ATC conference rooms with modern large monitors connected via Wifi to any personal device.
- 3.2 All of these projects will be completed by September 2019.
- 3.3 Completion of the above strands will combine to a total estimated cost of £1.6m. The additional £100k required will fall into the 2019/20 financial year, and so is being sought for approval as part of this report.

- 3.4 Additional running costs - Suppliers are moving away from perpetual licenses more towards subscription based. There is no intention to increase revenue budgets, but instead mitigate these through cost efficiencies.

4. REPLACEMENT OF OUR EQUIPMENT

- 4.1 In 2017, we determined that moving all staff to mobile devices would offer the council the most flexibility for the future. This approach was supported by the decision of EMT and Cabinet to implement Smarter Working at NFDC. As a result the migration of all staff from desktop equipment to hybrids (light-weight laptops with touch screens) was accelerated and aligned with the rollout of Smarter Working. This programme will complete by end May 2019.
- 4.2 The accelerated roll out requires the bringing forward of future years' replacement budgets into 2018/19 and 2019/20. This will total £300k, and was reported and agreed within the recent Smarter Working 'Case for Change' report.

5. SMARTER WORKING

- 5.1 The aim of Smarter Working is to enable our staff to work from the most convenient, effective and efficient location to deliver the right service to our residents and customers. In practical terms, the appropriate technologies for the future are 'hybrids' combining the best features of laptops with the touch-screen ease of use of tablets, rather than desktop computers. These are then combined with new ICT infrastructure, together with a new communications network, new ways of remotely connecting into it, and new in-office Wi-Fi.
- 5.2 At the heart of Smarter Working is Microsoft's Office 365 and its various components. NFDC will, over time, implement the full capabilities of Office 365 to revolutionise the way officers collaborate and communicate from anywhere at any time. The project will be divided into three phases to be implemented between April 2019 and September 2020:
- (i) Phase 1 - the replacement of Exchange 2010, our current on-premise email/calendar system, with Office 365 core functionality;
 - (ii) Phase 2 - the replacement of the Avaya telephone system, supplied by HCC but being decommissioned by them in August 2019, with Skype for Business; and,
 - (iii) Phase 3 - the replacement of Meridio EDRMS, our 'out of support' document management system, with SharePoint to provide an integrated document sharing, management and storage solution.
- 5.3 With the right technology choices, staff can work more effectively in the office and away from it, using internet, broadband and wireless communications to work at the most effective times and locations. The focus is on empowering employees wherever they work with productivity tools, collaboration tools and access to systems and data.
- 5.4 Cabinet approved use of £750k from the Smarter Working fund, to be spent on delivering the outcomes as expressed in 5.1 and 5.2. The anticipated phasing of this funding will be; £225k in 2018/19, £375k in 2019/20 and £150k in 2020/21.

6. FUTURE REQUIREMENTS

6.1 Cabinet agreed the ICT Strategy 2018-2022 in July 2018, which details the requirements for the next 4 years. It is proposed that we put in place a further 4 year transformation funding plan for ICT. The plan will cover the following aspects.

6.1.1 **Resilience and Security.** This will deal with ongoing infrastructure protect and maintain needs as follows. The Council must sustain its focus on ensuring that software and hardware is refreshed and maintained in line with current versions to avoid security vulnerabilities and the need in the large future replacement programmes. The guiding principle for future ICT sustenance should be 'little and often' rather than 'rarely but major'. For example, Microsoft are withdrawing their Server 2008 operating system at the end of 2019 and the Council need to move to Server 2016 once our new Infrastructure is in place. This involves upgrading all servers and then upgrading all applications that reside on those servers. It is estimated this will cost in the region of £100k during 2019/20. It is anticipated that similar small upgrades and some hardware replacements, will be required each year in the future and annual budget provision of circa £100k should be made for such work. This will be used to upgrade either hardware, software or applications as necessary.

6.1.2 **Members' ICT.** To support members in the better use of available ICT, an expert will be resourced. This is anticipated to cost around £40k per annum. This resource will be part of Democratic Services and will provide ongoing support and training for Members in liaison with ICT.

6.1.3 **Digital residents and Customer engagement.** We have seen many changes in how customers want to interact with the Council, and the increased use of online tools, whether that is using a website, app or webchat. Our current website is no longer being developed by its product vendor, Goss, and requires replacement. There will also be opportunities for internal efficiency gains, cost savings, and income generation opportunities if we create the right digital platform. It is proposed that we commence with the replacement of the website during 2019, with key essential transactions being undertaken as part of Phase 1. Then Phase 2 in 2020 will focus on creating the more complex customer interactions where the business case to do so stacks up. One-off funding requirements are estimated at £50k in 2018/19, £250k in 2019/20 and £100k in 2020/21.

6.1.4 **Replacement of other applications moving out of support.** As we have seen with Meridio and Agresso, there is a continual cycle of applications being upgraded, replaced, withdrawn or simply changed by vendors. In addition there is the need to market test and potentially replace applications which the council has run for many years, to ensure we are still getting best value and functionality. We have a number of applications which must either be replaced entirely (e.g. Acolaid, CRM) or that need to be fully market tested (e.g. Northgate, Gladstone) in the next 2 years. This will be a constant feature in the future, especially as Government procurement portals like G-Cloud are encouraging central and local government authorities to enter into increasingly short contract lock-ins with vendors (e.g. 2+1+1 year contract durations rather than 5 to 10 years). For these reasons, this is not a discretionary item. Based on an assessment of individual business cases it is proposed to make an annual transformation fund of £250k available for each of 2019/20, 2020/21 and 2021/22.

6.1.5 **Next generation ICT solutions.** This will bring the Council up to date with the growth of automation, internet of things (IOT), artificial intelligence (AI), and robotics. Business cases will need to be made by Services for implementation of new technologies that can radically change the way services are delivered. These could range from, for example, 'chat-bots' which automate real time customer interactions using artificial intelligence, through to smart IOT devices out in the community linked to the internet to monitor car park utilisation or public conveniences. As and when opportunities arise, individual business cases will be drawn up and the relevant funding requests made through the appropriate route. This may include working in partnership with other organisations.

7. CRIME AND DISORDER, EQUALITY & DIVERSITY AND ENVIRONMENTAL IMPLICATIONS

7.1 None directly, although Smart Working has the potential to reduce the carbon footprint for staff travelling less miles by car.

8. FINANCIAL IMPLICATIONS

8.1 The Protect and Maintain fund, requiring a supplementary budget approval of £100k (on the original £1.5m) in 2019/20 has enabled the Council to invest in the right ICT foundations. We now need to build on these foundations. This will ensure the Council has up to date ICT solutions to deliver services into the future in the most efficient and effective way.

8.2 Previous reports have provided the required approvals for the release of funds to progress with the accelerated Hybrid device replacement and use of the Smarter Working fund. This report now confirms the expected profiling of this spend, and will necessitate some rephasing of budgets. These will be quantified in the next Financial Monitoring Report.

8.3 This report is seeking approval for the following future requirements, noting that these future requirements will then form part of the updated Medium Term Financial Plan and Budget 2019/20, when reported to Cabinet and Council during February 2019.

Para	Description	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	TOTAL £'000
6.1.1	Resilience & Security		100	100	100	300
6.1.2	Members ICT Support		40	40	40	120
6.1.3	Digital residents and Customer engagement *	50	250	100		400
6.1.4	Other Applications *		250	250	250	750
		50	640	490	390	1,570

* Business cases for these items will be agreed by EMT, along with any other business case driven ICT initiatives that may emerge.

9. CONCLUSION

- 9.1 The Council is taking some very big strides to transform its ICT, moving from an ICT environment more reminiscent of the late 1990s to an up to date one that is delivering improvements today. In doing so, the Council has also positioned itself for tomorrow and beyond.
- 9.2 The investments made in Protect and Maintain, Smart Working and Replacement Devices are yielding real benefits across the council. For example, Hybrid devices and Wifi have transformed mobility around ATC and the new screens, installed in all meeting rooms and the council chamber, are making presentations much easier and meetings more efficient and effective.
- 9.3 The Council has grown its technical and project management capabilities, in order to deliver a complex programme of projects. High quality partnerships have been forged with new ICT suppliers to make sure projects deliver what they promise.
- 9.4 When the current projects complete during 2019, the Council will be very well positioned to move ahead and benefit from the exciting technology opportunities and the next generation of ICT solutions described in section 6. For this reason investment in ICT continues to be essential for the Council as described in the ICT Strategy 2018-2022 and in this report.

10. RECOMMENDATION

- 10.1 Panel to support;
- a) the additional budget requirement of £100k in order to complete the delivery of the Protect and Maintain Frontline Services programme.
 - b) the ICT strategy future requirements detailed in section 8, subject to individual Business cases.

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