Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

REPORT OF:	DEPUTY CHIEF EXECUTIVE
AUTHER:	Fiona Cullen
TELEPHONE:	01737 276296
E-MAIL:	fiona.cullen@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	12 NOVEMBER 2015
EXECUTIVE MEMBER:	COUNCILLOR V.W. BROAD

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	N/A

SUBJECT:	ICT INVESTMENT PROGRAMME

RECOMMENDATIONS:

That

(i) **the outcomes of the recent ICT review, as set out in Annex 1, be noted;**

(ii) **the ICT Investment Programme, as set out in Annexes 2 and 3, be noted;**

(iii) **Foresight be appointed to oversee the delivery of the ICT Investment Programme under exemption (n) to the Contract Procedure Rules; and**

(iv) **the Head of Finance be authorised to amend the Capital Programme to fund the ICT Investment Programme and rolling ICT investment, as set out in the exempt information in Annexes 4, 5 and 6 at Part 2 of this Agenda.**

REASONS FOR RECOMMENDATIONS:

ICT is critical to the efficient and effective delivery of all Council services. A review has been undertaken which has identified a number of areas where the Council should invest in this critical infrastructure to support service delivery.

Failure to invest promptly will impact on the delivery of Council services and increase the risk of service failure, financial costs, legal challenge or reputational damage.

EXECUTIVE SUMMARY:

In 2014/15, the Council was approached by a private sector service provider to develop a shared service partnership that would deliver commercial services across the sector. The partnership proposal included ICT, financial transactions and revenues & benefits. Extensive negotiations were undertaken but the Council opted not to proceed with the partnership.

The shared service partnership proposal identified a requirement for the Council to invest approximately £800k in ICT infrastructure. Investment was considered essential in order to support greater automation, online processes and to support commercial service provision to other organisations.

Following the Council's decision not to proceed with the shared service partnership, a review of ICT was commissioned to clarify the ICT investments required to support commercial activities and business change. The review has confirmed the need to make a significant investment in our ICT infrastructure.

This report sets out a summary of the strategic review and a recommended investment programme. It recommends that funding be allocated within the capital programme to enable this investment to proceed as quickly as possible. External support is also recommended to oversee the delivery of the programme.

Executive has authority to approve recommendations (i) – (iii). Recommendation (iv) is subject to approval by Full Council.

STATUTORY POWERS

1.   The Council has a range of statutory duties which it is required to deliver. ICT is a fundamental tool in the delivery of these statutory duties.

BACKGROUND

2.   In 2014/15, the Council was approached by a private sector service provider to develop a shared service partnership that would deliver commercial services across the sector.

3.   The shared service partnership proposal included ICT, financial transactions and revenues & benefits. Extensive negotiations were undertaken but the Council opted not to proceed with the partnership.

4.   The negotiations identified the need for the Council to invest significantly in our ICT infrastructure. The shared service partnership proposal included a requirement for the Council to invest approximately £800k. Investment was considered essential in order to support greater automation, online processes and to support commercial service provision to other organisations.

5.   Following the Council's decision not to proceed with the shared service partnership, we have been developing commercial service proposals to identify opportunities to generate additional income. In order to support these activities, a review of ICT was commissioned to clarify the ICT investments required to support commercial activities and business change.

ICT REVIEW

6.   A strategic review of the Council's ICT service and infrastructure has recently been completed. The review was completed by external ICT experts, Foresight Consulting.

7.   Foresight Consulting are independent consultants, offering advice and recommendations without being affected by supplier relationships. They have considerable expertise in ICT and local government, and have provided support, including interim ICT management, to a range of local authorities.

8.   The scope of the review was to first understand the existing ICT provision at a high level by reviewing the Council's ICT service, structure and infrastructure, covering:

   • Governance and management

- Structure and skills

- Infrastructure

- Standards and procedures

- Roles & Responsibilities

- Systems and applications

- Security

- Alignment with corporate plans

- Contractual commitments

- Performance information

9.   The scope of the review was addressed by Foresight Consulting in three stages:

- Completing an assessment of the existing ICT arrangements, identifying both the strengths and weaknesses of our current ICT capability;

- Reviewing any plans and vision that the Council has, both of the ICT service itself and the other services' requirements, where ICT needs to support business change; and

- Recommending areas for investment and improvement, and creating an ICT roadmap for the Council, including providing indicative cost and resource estimates.

10.   The ICT review included a wide range of activities, including:

- 121 meetings with ICT staff

- Councillor workshop

- Focus group meetings with a selection of staff, including Management Team and systems administrators

- Observation and information gathering within ICT

- Visits and interviews with staff at Earlswood Depot and the Harlequin

- Analysis of ICT infrastructure and systems set up

ICT INVESTMENT PROGRAMME

11.   Foresight Consulting provided a full report setting out the findings of the ICT review. This report included a SWOT analysis of the ICT service, structure and infrastructure. A summary of the report is set out at **Annex 1**.

12.   The report includes a number of recommendations to improve the Council's ICT infrastructure, which requires critical investment to ensure the ICT infrastructure can support existing services and respond to our business change requirements and commercial services development.

13.   Foresight consulting set out a recommended programme for ICT investment including estimated costs.

14.   The detailed programme, including breakdown of work and timetable for delivery, is set out in **Annexes 2** and **3**.

15. **Annexes 4** and **5** at Part 2 of this Agenda provide a cost summary and detailed cost estimates (minimum and maximum) for the individual elements of the programme. It is recommended that provision be made within the capital programme to support the delivery of the ICT investment programme.

16. The review has identified the importance of making regular provision for ICT infrastructure investment. The programme of works set out in Annexes 2 - 5 will stabilise the current infrastructure, significantly reduce the risk of failure, improve our resilience and recovery and also provide capacity and opportunity for future service improvements. This, however, does not remove the requirement for further investment in the future. Annex 6 therefore, sets out the recommended level of budget provision that will be needed in future years.

PROCUREMENT

17. A procurement exercise was undertaken to appoint Foresight Consulting, through Solace in Business, to undertake the initial ICT review. This procurement process was undertaken in full compliance with the Council's Contract Procedure Rules.

18. Foresight Consulting scored very highly against both cost and quality and were cheaper than the next closest bidder. A number of references were also taken prior to their appointment to the original ICT review.

19. It is essential that the ICT improvements are undertaken as soon as possible. The quality of the review has confirmed that Foresight Consulting are highly qualified and capable of supporting the Council in delivering the ICT investment programme. In undertaking the initial review, they also have a strong understanding of our ICT infrastructure and service arrangements, enabling them to implement the improvement programme as quickly as possible.

20. The original tender process has also demonstrated that they offer good value for money. It is therefore recommended that the Executive approve the use of Contract Procedure Rule exemption (n) *[which is: Any other exemptions specifically authorised by the Leader/Executive or appropriate Committee with budget and service responsibility for the Contract or by the Council]* to retain Foresight Consulting to support the delivery of the ICT investment programme.

21. Individual elements of the ICT Investment Programme detailed above will be procured in line with the Contract Procedure Rules.

OPTIONS

22. This report provides a summary of the ICT review and the proposed ICT Investment Programme (recommendations (i) and (ii)). The Executive can agree the recommendations or request further information regarding the recent ICT review. However, this is not recommended due to the delay it would cause in making the critical infrastructure improvements that are necessary.

23. Recommendation (iii) seeks approval to appoint Foresight Consulting to oversee the delivery of the ICT Investment Programme. The Executive has the option to:

- Approve the recommendation and appoint Foresight Consulting; or

- Request that a further procurement exercise be undertaken. This is not recommended. Foresight Consulting were selected through a previous procurement exercise and have excellent knowledge of our services. A further procurement process would delay the ICT Investment Programme.

24. Recommendation (iv) seeks approval (subject to approval by Council) to allocate capital funding to deliver the ICT Investment Programme. The Executive has the option to:

- Approve the recommendation to Council. This will enable the ICT Investment Programme to proceed as quickly as possible;

- Amend the recommendation to Council, reducing the capital funding. This is not recommended as it will limit the ICT improvements that can be delivered;

- Refuse the recommendation and seek further information regarding the ICT Investment Programme. This is not recommended as it will delay the implementation of ICT improvements and increase the risk of service failure.

LEGAL IMPLICATIONS

25. There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

26. This report seeks approval to allocate capital funding to support an ICT Investment Programme.

27. The investment will ensure that the Council is well positioned to deliver business change, automation and channel shift projects. These will deliver savings and efficiencies for the organisation and support a more sustainable financial position. Detailed projects, and therefore the savings that may be delivered, are not confirmed at this stage. The ICT Investment Programme will also support the delivery of commercial services, which in turn will provide additional income streams for the Council.

28. There may also be ongoing revenue costs associated with the proposals. These will be captured through the annual service & financial planning process.

EQUALITIES IMPLICATIONS

29. There are no equalities implications arising from this report.

RISK MANAGEMENT CONSIDERATIONS

30. As set out in the report, ICT is essential for the delivery of all Council services and support. Failure to invest in adequate ICT infrastructure would increase the risk of service failure. This in turn would increase the risk of legal, financial or reputational damage to the Council.

POLICY FRAMEWORK

31. There are no policy framework considerations arising from this report.

Background Papers: None

Annexes

The following Annexes are attached to this Part 1 report:

Annex 1 Foresight Consulting: ICT Review (Reigate & Banstead) – Extract

Annex 2 ICT Investment Programme: Project List

Annex 3 ICT Investment Programme: Programme Plan

Annex 1 Foresight Consulting: ICT Review (Reigate & Banstead)

Extract from final report

Executive Summary

Foresight Consulting has undertaken an ICT Review for Reigate & Banstead Borough Council (RBBC). In addition to reviewing the documentation made available to us, we interviewed the ICT team, representatives of the senior management team and other key users of the ICT service including Members.

Our conclusions are listed below:

1) At RBBC there has generally been an under investment in ICT for a number of years.

2) The ICT Strategy 2014 to 2020 is incomplete, a reoccurring theme, lacks detail or any clear roadmap for the organisation.

3) Some of the underinvestment may have been led by expectations around increased partnership working, although this has not developed as expected.

4) The ICT service has a strong technology focus and there are areas of good relationship with their customers, but this could be improved.

5) Some unconventional technology choices and attitude to and/or decisions taken over security have done little to help the reputation of the service and have created many problems for users (as the recent customer survey revealed).

6) The ICT development function seems well regarded by the rest of the authority. This may be because the costs of this service are absorbed by ICT, despite producing what is likely to be (or should be) significant savings for other services.

7) The recent private sector partnership stance that they required £750k of investment from the authority, if they were to take on the outsourcing arrangement, indicates the size of the problem.

In summary, ICT should play a pivotal role as a key enabler in delivering the authority's vision and programme of work for the future, yet it is currently poorly positioned to do so. The results of the ICT Staff User Survey support this assertion.

Our recommendations for change and the associated roadmap have been set against a challenging timetable. We believe that this programme of work is achievable assuming timely decisions are taken and the necessary investment is approved by Members.

Below we have listed our high-level recommendations.

1) After an initial period of operating with an interim 'task force' structure, consider whether there is a need to restructure the section based on information gain during initial stages of the agreed programme of works.

2) In the same way that the authority expects its customers to 'channel shift' – move from using the face-to-face method of accessing council services to telephone to digital, the ICT service should do the same, i.e. phase out the walk-in services.

3) From the evidence that we have seen and ambitions expressed by the Chief Executive, RBBC should focus on building up its own ICT service rather than spending further time pursing an ICT partnership with another authority or at this stage getting involved with the Surrey Partnership.

4) Our view is that many suppliers (but not all) are taking advantage of the rush towards the idea of cloud computing. However, at this point in time, we recommend an initial investment in on-premises infrastructure, with a note to revisit this question in a year to 18-months' time.

5) The relationship with the customer needs to change significantly. Right from the start of the life cycle, i.e., formation of a business-led ICT strategy, through to product selection and implementing appropriate controls ("how do we deliver this requirement that users need" rather than "why can't we").

6) The development function needs to focus on the work or projects that generate the greatest returns. It also needs to consider moving to a 'market economy' whereby services 'pay' for work – it may be a subsidised re-charge or percentage of realised savings.

7) There is an opportunity to use the two Projects and Change Officers, potentially one of the developers too, to spearhead the ICT-led exploitation of key line of business applications (such as CRM) and services (such as the depot or customer services) which are experiencing severe problems with technology. The system administrators still within the business, e.g. Finance, also need to adhere to ICT's change control processes.

8) There are a number of areas where we believe investment is required in the infrastructure. These are likely to include the replacement of the main and backup storage, replacement of the virtualised server environment, new uninterruptable power supply, replacement of desktop delivery hardware and software with a consistent, stable solution, provision of stable telephony solution, improved Wi-Fi coverage, a BYOD (Bring Your Own Device) solution, upgrades the Unicorn network and an improved disaster recovery offering. A programme of works will need to be established by a Technical Design Authority and agreed by management.

9) To achieve such a turn around with the timescales required, there will be a need for some additional temporary and contract staff to supplement internal resource and significant mentoring.

Annex 2 ICT Investment Programme: Project List

Category	Description	Reasons / Impact
Main Programme		
Disaster Recovery	Various hardware for DR inc. SSL VPN	The current Disaster Recovery environment is not capable of recovering all services, is untested and unlikely to result in a protracted process. Following a disaster at the Town Hall the ability of the Council to operate would be severely compromised and does not meet the expectations of the Management Team.
Disaster Recovery	Complete DR plans	
Disaster Recovery	Test DR plans	
Email	Exchange Support Contract	The email system is currently supported by all purpose ICT resource without the specialist MS Exchange knowledge and skills, therefore there is a risk that recovery from a serious issue with Exchange could result in extended downtime.
Inventory	Inventory System (Spiceworks replacement)	The current software is freeware and not fit for purpose. There is no accurate ICT hardware inventory in-place.
Network	Additional Core Switch for Resilience	The switch at the core of the network (connects users to servers) is a single point of failure. Adding resilience offers protection for network access, and the public access to services like the Planning Application Search.
Network	Replace 12x 3Com switches	Some of the network switches within the Town Hall are end of life, unsupported and perform poorly. End user performance is suffering as a result and likely impact on support due to failure is enhanced.
Programme	Produce plan of work	Deliver a fit for purpose, future proof ICT service through the programme of works being developed. Without this plan incidence of failure will increase and the service will become unsupportable with the current resource available.
Server Room	Procure UPS	The current UPS is end of life and is supported on a best endeavours basis only. If it fails there is every chance it may not be able to be repaired and vital server/storage power protection will be lost.
Server Room	Install UPS	
Server Room	Preparation (Clear, Air Con, Power etc.)	The current server room is not fit for purpose and the likelihood of component failure is high due to the current design. Loss of core services will result in extended downtime and expensive recovery processes.
Service Desk	Service Desk System (Spiceworks replacement - already in revenue budget)	The current software is freeware and not fit for purpose. The Service Desk are unable to resolve and prioritise problems in the prescribed way. This has affected call fix times and change control processes and resulted in the service desk being less efficient.
Bring Your Own Device	Deploy Mobile Device Management software capable of supporting secure BYOD	There is an opportunity to utilise personal equipment such as smartphones to access council data and services. This initiative will reduce handset and service charges and provide greater flexibility / productivity for staff and members.
Desktop	Resolve Desktop performance	The performance of the current desktop devices is poor and staff waste considerable time waiting for devices to boot, recovering from crashes and the frustrations of accessing slow systems. Fit for purpose devices will increase productivity
Desktop	Procure Laptops / desktops	
Desktop	Roll-out Laptops	

Category	Description	Reasons / Impact
Staff	Organisational changes	The current ICT staff structure and skills will need adjusting and supplementing during the programme and for Business As Usual beyond. Failure to provide agile resourcing and a flexible structure will impact the programme and the ability to deliver and support the new systems/services in the future.
Staff	Setup a 'task force' structure for ICT	
Storage	Procure Storage / Virtualisation Platform	The current storage is full, performing poorly, end of life and has been supplemented by ad-hoc standalone servers and storage. The cost of support is high, performance is affecting users and there is a risk of an imminent total failure that would be difficult to recover.
Storage	Migrate Virtual Servers	The virtual server estate is currently on an old storage platform and performing poorly. The servers will need to be migrated onto the new storage to gain all the performance and reliability benefits associated with a modern platform.
Storage	Upgrade VMware	Virtual servers are currently on an out of support, partly free version of VMware (2 versions out of date). This is a security risk and a non-compliance for PSN CoCo and increases the support overhead.
Storage	Virtualise Exchange and other physical servers	Currently there is a lower than average percentage of virtualised servers due to storage being full and lack of performance. The effects of having standalone servers with isolated storage is increased support and complication whilst not gaining the benefits of a virtualised infrastructure.
Strategy	Update ICT Strategy	The current strategy is incomplete and requires a re-write to reflect the direction of the programme. This will provide management and ICT staff with a reference document to move ICT forward with.
Telephony	Resolve Lync Issues / Annual support contract	Lync telephony is currently unstable as it is deployed on an unsupported platform. The current system has been described as embarrassing with users being cut-off mid call, impacting on their ability to talk to customers and suppliers. Staff and members are losing faith in the system and it's well regarded capabilities.
Unicorn Wide Area Network (connections between and outside of the offices)	Procure additional network capacity & resilience	The current design offers a low speed, non-resilient connection between the Town Hall, Earlswood depot and the public. This impacts customers and users providing frustration and lower take-up of Internet services.
Wifi	WiFi upgrade to improve coverage	The current wifi system was not designed to be used as a primary network connection. The wifi is patchy and slow resulting in lost connections, telephony problems, reboots and user frustration and loss of productivity.
Compliance Projects for Public Sector Network Code of Connection (PSN Coco)		
Compliance	Log Aggregation (LogRythm replacement or appliance upgrade)	The current log aggregation software is on a 2003 Server and will not pass the next PSN CoCo. This server must be updated to maintain compliance.
Compliance	Replace TMG reverse proxy	TMG becomes end of life during 2016 and requires an upgrade for continued compliance.
Compliance	Patching Software (WSUS Replacement)	The patching of desktop software is a must for PSN CoCo compliance. The current system only patches Microsoft software resulting in manual patching of all other software.
Compliance	Firewall replacement / firmware upgrade	Out of date firewalls are a security risk and will not pass the next PSN compliance.
Compliance	Laptop Encryption (Truecrypt not supportable)	The current laptop encryption software is freeware and has a security flaw. This will impact on RBBCs ability to maintain PSN compliance.

Annex 3 ICT Investment Programme – Programme Plan

Project	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Core Infrastructure Refresh													
SAN procurement	■	■	■	■									
Computer Room Redevelopment	■	■	■										
Install new UPS				■	■								
Network Switches								■	■	■			
WAN Bandwidth / Resilience					■	■	■						
WiFi Refresh							■	■	■				
DR Plans		■	■										
SAN implementation				■	■	■	■						
VM migration & Upgrade							■	■	■	■	■		
Decommissioning of old SAN												■	
Test DR												■	■
Desktop Devices													
Trial new equipment	■	■	■	■									
Roll-out across estate				■	■	■	■	■	■	■	■		
Compliance													
Prep for PSN CoCo	■	■	■	■	■								
CoCo Submission & Sign-off						■							
New Software Services													
Service Desk / Inventory		■	■	■									
Other Projects													
ICT Strategy (technical & business)		■	■	■	■	■							
BYOD							■	■	■	■			
Exchange Support Contract		■											
Lync Support Contract			■										