

**Cherwell District Council**  
**Budget Planning Committee**

**9 September 2014**

<b>Joint ICT Business Service – Progress with Capital Programmes and Summary of Future Bids</b>
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**Report of Joint Head of ICT Business Services**

This report is public

**Purpose of report**

To summarise progress to date in respect of the approved capital programme 2014/15 and to outline the way forward for the Joint ICT Business Service.

**1.0 Recommendations**

The meeting is recommended:

- 1.1 To note and consider the contents of this report, and support the making of appropriate recommendations to Executive as part of the 2015/16 budget setting process.

**2.0 Report**

- 2.1 The Joint ICT Business Service which has been in operation since April 2014 is broken down into the following professional groupings: -

- Desktop and front line support
- ICT operations
- Business application services
- Management and compliance
- Spatial and LLPG services

- 2.2 It was agreed a review to take place within 9 months at which time a permanent organisational structure underpinned by a single operating model. The proposed organisational structure, joint ICT Business Strategy and Harmonisation of Business Systems will be presented to the Transformation Joint Working Group in October 2014.

- 2.3 The ICT Business Case estimated the creation of a three way Shared ICT Business Service would, in addition to delivering increased resilience, capacity

and productivity, deliver estimated savings of between £250,000 and £390,000 across all three partners, on top of the savings target already in the Medium Term budgets for each Council.

- 2.4 Whilst the proposed staffing structure, along with joining up and reviewing contracts will deliver some savings there is a limit to what can be delivered through just collaborating on the ICT Business Service itself.
- 2.5 The greater savings will be achieved through the harmonisation of ICT business systems and developing common processes. The Councils would save on licensing, hardware and ICT officer time by streamlining, in many cases, three local service business applications down to one.

### **3 Progress with approved 2014/15 ICT Capital Projects**

The total approved ICT capital programme for 2014/15 is £789,000. A review has been undertaken which identified savings will be delivered if the programmes are re-shaped and delivered through shared working which will provide improved buying power, deliver on the principle of install/build once and deploy many.

The following summarises progress to date on the approved programme for 2014/15. It is followed by a summary of savings (table 1) to the current programme and options how they could support future joint working:-

#### **3.1 *Microsoft Licensing Agreement – approved budget - £50,000***

Budget covers the licensing costs for desktop Microsoft applications, procured under a nationally agreed contract for the public sector and expires in June 2015.

A review to identify the most appropriate procurement from 2015 onwards is being undertaken and the revised capital and revenue bid will be presented as part of the budget setting programme for 2015/16 to confirm the requirements after the current agreement expires in June 2015.

#### **3.2 *Thin Client Extension - approved budget - £9,000* *Citrix - Expansion to Support Agile Working - approved budget - £20,000***

These two projects are both remote working solutions for users. Remote working is being reviewed to develop a single approach for all three councils and harmonise this critical area to provide increased capacity to support and develop the chosen approach. This will take into account the priority of enabling flexible working, which easily enables users to access their business systems remotely.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

### **3.3 Corporate Bookings System - approved budget - £19,000**

This project seeks to further build on an application that was procured to provide a single system for bookings – leisure, MOT, room bookings, appointments, etc.

This is currently under review with a view to adopting a single approach across the 3 councils.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year Business Systems Harmonisation Programme.

### **3.4 Core Business System Integration - approved budget - £24,000**

This project forms part of the business systems harmonisation programme, which will harmonise and reduce the number of business applications used by the three councils and ensure that optimum use is made of the ones that are retained.

The full harmonisation programme and associated budget requirements are being presented to the Joint Transformation Working Group in October 2014.

It is proposed that the remaining budget be transferred into the proposed 2015/16 harmonisation of business systems capital programme.

### **3.5 Visualfiles Upgrade - approved budget - £16,000**

Visualfiles is the Legal Case Management System used by CDC. The shared legal team will be operational from 1<sup>st</sup> October 2014 and the new joint team will use Visualfiles as their single case management system.

This upgrade has been deferred to 2015 to enable the shared working to be fully established and proposed the budget be transferred to 2015/16 capital programme and the appropriate amounts re-charged to SNC and SDC.

### **3.6 Financial Management System (FMS) - approved budget - £100,000**

A joint procurement has been completed and Civica Financials awarded the contract for a single FMS serving all three councils underpinned by a set of common processes, single statement of accounts and common coding structure. The system is due to go live on 1<sup>st</sup> April 2014.

It is proposed that two other systems - Cash Management and BACs (electronic processing of financial transactions such as direct debits) are both harmonised alongside the implementation of the new FMS.

If this is not done three different sets of integrations will need to take place to enable these systems to automate and interface with the new FMS. Whilst implementing a single cash and BACs system will be additional work it is felt that the longer term benefits will be greater and the integration work will only need to be completed once.

Work has started to identify the budget and resource requirements (in year) to complete this additional harmonisation. Once implemented the on-going benefits will be reduced licence costs and increased resilience and capacity to support and develop these systems.

**3.7 *CDC Customer Services PC replacements - approved budget - £20,000***

***Desktop PC Replacement - approved budget - £59,000***

Customer Services deliver services on behalf of the majority of council services and it is essential they have high specification PCs to deliver a excellent experience for the customer.

The corporate desktop PC replacement programme is to upgrade desktops across the council. The upgrade enables the Council to move to Windows 7 as well as providing services with more effective tools to conduct their business.

From 2015/16 it is proposed a rolling refresh programme be adopted so that desktops can be upgraded in smaller batches. Not only will this enable improved resource management in ICT but also provide services with a regular upgrade programme.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

**3.8 *PSN Compliance - approved budget - £20,000***  
***Security Logging Software - approved budget - £25,000***

The above 2 projects are under review as part of the joint working. A single approach is adopted across the three councils, which is centrally managed.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme where Government Connect (now known as PSN) will be funded from.

**3.9 *MS Lync 2013 - approved budget - £44,000***

Microsoft Lync is a communications system providing solutions such as video conferencing, instant messaging and document sharing.

This project has been reviewed and report presented to the Management Team identifying a different approach that will not only improve videoconferencing and document sharing but also deliver a budget saving and enable three way working to operate more effectively and efficiently.

When fully deployed across the three councils there will be further savings in areas such as mileage and subsistence and reductions in non-productive time spent travelling to the three sites.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

### **3.10 *MS Sharepoint - approved budget - £35,000***

This Microsoft product enables collaboration, secure document sharing and management. Documents can be stored, downloaded and edited, then uploaded for continued sharing. It can also be used to build intranets to name but a few of its functions.

The approved budget for 2014/15 was to undertake a pilot using the latest version of the product to develop a proof of concept. A review is taking place involving all three councils to ensure the agreed approach delivers on the requirements of joint working. ICT officers are working to review the requirements shaped around the needs of the business and the associated return on investment.

If there is a business case, rather than undertake a pilot a full project plan will be developed to deploy this collaboration tool to support joint working.

Sharepoint is a key tool in harmonised working so it is recommended this budget be transferred to the harmonisation of business applications programme.

The following projects all deliver improvements to the Council's ICT infrastructure. A brief explanation of each is given below the title for ease of the reader.

### **3.11 *ISCSI Traffic Separation (IT hardware) - approved budget - £20,000***

This will improve the speed of the council's internal network especially in key functions such as overnight backups that are taken to ensure data loss is minimised. The work to complete this is underway and it is anticipated to come in under budget.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

### **3.12 *ESXI PROD 2 – approved budget - £15,000***

This delivers improved load balancing and resilience in respect of key application such as email. Benefits to users are increased speed and resilience; for example, if one area fails then users are automatically moved to another areas resulting in no downtime whilst the failed area is fixed.

The work to complete this is underway and it is anticipated to come in under budget.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

3.13 ***Hyper V Environment (IT hardware) – approved budget - £14,000***

This is Microsoft product, which allows better sharing of hardware resources and delivers cost savings in licensing.

The capital bid was to undertake a pilot programme where a number of servers were migrated to this environment to test performance. The product is well established and a review being undertaken to establish whether a pilot is actually required.

It is hoped to simply make the move to Hyper V and remove the Council's reliance on other expensive licensing models.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

Licence savings will be achieved from 2016 onwards.

3.14 ***San Storage Renewal (IT hardware) - approved budget - £81,000***  
***Server Replacement Programme (IT hardware) - approved budget - £33,000***

The above two projects relate to upgrading/replacing central hardware that serves all users. The work to complete this is underway and it is anticipated to come in under budget.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

3.15 ***VMware Virtual Centre Site Recovery Manager - approved budget - £35,000***

This project provides a faster disaster recovery environment in the event the main systems at CDC failed.

This will be reviewed and implemented in line with the move to Microsoft Hyper-V detailed above.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

3.16 ***Netback Up Upgrade - approved budget - £75,000***

This relates to the council's corporate back up system. The corporate back up system takes a copy of all data held on council systems each night.

A review has identified that on-going savings could be made if a change to way backups are completed is made. This will deliver licensing savings and improve speed of corporate backups.

It is proposed the remaining budgets be transferred into the proposed 2015/16 5-year rolling hardware/software replacement capital programme.

**3.17 *Aerial Imagery Update (professional fees) - approved budget - £10,000***

This project will provide up to date aerial imagery for the district which plays a key role in making informed decisions in respect of development planning, core strategy, ecology, heritage, grounds maintenance and enforcement to name but a few.

This project will be completed in 2014/15 and delivered on time and to budget.

**3.18 *Upgrade of CDC Service Desk Application - approved budget - £25,000***

This is being reviewed and a single service desk system will be procured serving all partners.

It is proposed the remaining budgets be transferred into the proposed 2015/16 Harmonisation of Business Systems capital programme.

**3.19 *Extended Contract for Website Hosting - approved budget - £40,000***

This will be reviewed as part of the harmonisation programme which aims to put in place a single website development team and single content management system serving all partners. The budget for 2014/15 is required whilst the approach for delivering websites and intranets across all three councils is undertaken.

Table 1

CDC 2014/15 Capital Programme						
Project Description	Existing Budget	Budget Action				Comment
		Retain	Delete	Transfer	Transfer to	
Microsoft Licensing Agreement	50,000	50,000		0		Under review
Thin Client and Citrix	29,000			29,000	5-year rolling hardware budget	Under review
Core Business Systems Integration	24,000			24,000	ICT Harmonisation budget	Under review
Corporate Room Bookings	19,000			19,000	ICT Harmonisation budget	Under review
Visual Files Upgrade	16,000			16,000	2015/16 budget	Deferred to enable 3 way working to bed in
FMS System Replacement	100,000	100,000		0		On track
CDC Customer Services Desktop PC Replacement	20,000	20,000		0		On track
Desktop PC Replacement	59,000	20,000		39,000	5-year rolling hardware budget	Under review
PSN Compliance	20,000			20,000	5-year rolling hardware budget	Under review
Security Logging Software	25,000			25,000	5-year rolling hardware budget	Under review
MS Lync	44,000	20,000		24,000	5-year rolling hardware budget	Under review
MS SharePoint pilot	35,000			35,000	ICT Harmonisation budget	Under review
ISCI traffic separation	20,000	20,000		0		On track
ESXI Prod 2	15,000	15,000		0		On track
Hyper V Environment	14,000			14,000	5-year rolling hardware budget	Under review
San Storage Renewal	81,000	20,000		60,000	5-year rolling hardware budget	Under review
Server Replacement Programme	33,000	10,000		23,000	5-year rolling hardware budget	Under review
VMware Client Centre Site Recovery	35,000			35,000	DR budget	Under review
Netback upgrade	75,000	10,000		65,000	5-year rolling hardware budget	Under review
Aerial Imagery	10,000	10,000		0		On track
CDC service desk upgrade	25,000			25,000	ICT Harmonisation budget	Under review
Website Hosting	40,000	40,000		0		On track
<b>Total</b>	<b>789,000</b>	<b>335,000</b>		<b>453,000</b>		



#### 4 Revenue Budgets – savings to date

4.1 Savings are also being achieved within the ICT revenue budgets. Whilst the majority will be realised as business systems are harmonised, the following provides a summary of work to date :-.

- The new FMS system will deliver on-going savings of x from 2015 onwards.
- A review of mobile telephony is seeing the move from Blackberry to Windows 8 mobile. Savings will be delivered in monthly data bundles (x with Blackberry to x with Windows 8 mobile) plus the annual cost of the blackberry server currently x.
- Website hosting – the reviewed approach will deliver savings but at present these cannot be fully quantified.
- Revised staffing structure will be presented to the Joint Transformation Working Group in October and will deliver savings - TBC

4.2 Work has started to review all contracts and maintenance agreements and the findings of this will be available in mid-November.

#### 5 2015/16 ICT Capital/Revenue Growth Bids

The following summarises the capital growth bids requested for 2015/16: -

5.1 ***Microsoft Licensing - Requested budget - £110,000 (capital) and on-going (revenue) - £10,000 per annum – per council from year 2 onwards***

The current agreement with Microsoft runs until June 2015. Work is underway to determine the most appropriate licensing arrangements going forward which reduce costs and ensure compliance with licensing regulations.

5.2 ***5-year rolling hardware upgrade programme – Requested budget - £250,000 (capital) and £13,000 per annum (revenue) for maintenance and support.***

Provides a 5-rolling programme to undertaken hardware upgrades across both sites, which gives ability to shape the work around other programmes and officer resources. It will also be more economical as joint contracts will be procured.

5.3 ***Email archiving - Requested budget - £35,000 (capital) with on-going revenue costs of £3,000 per annum from year 2.***

This will deliver improved email access and speed as well as ensuring the council's are compliant with legislation such as FOI, DPA.

5.4 **Disaster Recovery arrangements – £35,000 (capital) and on-going £5,000 (revenue)**

These arrangements are being reviewed in light of the new partnership with a single approach to be adopted to minimise the risks in the event that key ICT systems are unavailable.

5.5 **Increased Communications lines between SNC and SDC - Requested budget - £5,000 per annum (revenue) per council.**

It is planned to significantly increase the use of technologies such as video conferencing, remote working and electronic records and document management all of which require fast links between the shared sites.

6 Table 2 and 3 below summarise the proposed 2015/16 capital programme and the on-going revenue implications. Table 4 details the revenue growths for 2015/16. The majority of the projects will be delivered through joint working. It is proposed the savings from the 2014/15 programmes of £453,000 be transferred to support the 2015/16 capital programmes.

6.1 **Table 2  
CDC - Proposed 2015/16 Capital Programme**

Project Description	Budget Required	NEW	Transferred from 2014-15 budget
Microsoft Licensing Agreement	110,000	110,000	0
5-year rolling hardware/software replacement	250,000	-49,000	299,000
Email Archiving	35,000	35,000	0
Business Systems Harmonisation Programme (ICT service elements only)	200,000	87,000	103,000
Visual files Upgrade	16,000	0	16,000
Disaster Recovery	35,000	0	35,000
<b>Total</b>	<b>646,000</b>	<b>183,000</b>	<b>453,000</b>

6.2 **Table 3  
CDC – On-going revenue Implications of proposed 2015/16 Capital Programme**

Project Description	Budget Required	Comments
Microsoft Licensing Agreement	10,000	Year 2 onwards
5-year rolling hardware/software replacement	13,000	Maintenance and on-going support from year 2
Email Archiving	3,000	Maintenance and on-going support from year 2
Disaster Recovery	5,000	Maintenance and on-going support from year 2
Business Systems Harmonisation Programme (ICT service elements only)	0	ICT commitments to be confirmed as systems are harmonised
Visual files Upgrade	0	Budget already contained within legal service.
<b>Total</b>	<b>£0</b>	

### 6.3 Table 4 CDC – Revenue Growth Bids

Project Description	Budget Required	Comments
Increased Communications Links	5,000	
<b>Total</b>	<b>£5,000</b>	

## 7.0 Conclusion and Reasons for Recommendations

7.1 The committee is asked to consider this report and whether they wish to recommend the establishment of a capital contingency.

## 8.0 Consultation

Councillor Nicholas Turner

## 9.0 Alternative Options and Reasons for Rejection

9.1 Not to support the capital and revenue projects indicated, which, if not approved, will significantly impact on the Council's ability to work in partnership.

## 10.0 Implications

### Financial and Resource Implications

There are no direct financial implications arising from this report.  
Comments checked by:

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### Legal Implications

There are no direct legal implications arising from this report. The final decision on the approval of what is proposed will rest with full Council on the recommendation of Executive when the 2015/16 capital and revenue budgets are set.

Comments checked by:  
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## Lead Councillor

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## Document Information

Appendix No	Title
n/a	None
Background Papers	
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