WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

22 NOVEMBER 2010

REPORT OF THE DIRECTOR OF FINANCE

ICT STRATEGIC REVIEW

1   EXECUTIVE SUMMARY

1.1   A report has been commissioned from Socitm Consulting (the Society of IT Management) into the technologies and organisation of Information Technology (IT) Services. The recommendations of the report were agreed by the Cabinet on 14 October 2010. The Audit and Risk Management Committee on 30 June 2010 requested to see this report after approval by Cabinet.

2   BACKGROUND

2.1   IT Services is the Council information technology provider and was formed in 2005 by the merger of Wirral IT Services (WITS) with the departmental IT teams of Corporate Services, Education and Cultural Services, Social Services and Technical Services. This was approved by Cabinet on 1 December 2005.

2.2   IT Services delivers services to all Council departments and Members and also to schools in Wirral.

2.3   Following an appropriate procurement exercise the Society of IT Management (Socitm Consulting) was engaged to conduct a high level review of the existing ICT provision in the light of current best practice for a major local authority and in the context of stability, scope and sustainable cost in the current financial environment.

        This has included an overview of the areas of:

        ●   Hardware and networks

        ●   Applications and systems

        ●   Resilience and availability

        ●   Organisation and structure

        ●   Methodologies and working practices

2.4 In addition, a number of members of staff with extensive experience of Wirral Council IT services, infrastructure and departments are reaching an age at which they are able to retire should they so choose which would bring to an end a period of stability and continuity. This means that systems and processes need to be in place which are not reliant on informal networking or accumulated knowledge.

3 OVERVIEW OF CONCLUSIONS

3.1 Some services could be rated as "gold" or "silver" e.g. hardware investment while others may be considered as "bronze" e.g. disaster recovery.

3.2 Customer perceptions range from excellent to poor and there is poor understanding by customers of the performance of the service.

3.3 Each section of IT Services individually provides an effective response to perceived customer needs but those needs are not managed within a corporate governance process.

3.4. IT developments should be commissioned as part of the strategic process and aligned with Council priorities as part of improved corporate governance and therefore responsibility should be transferred to the Deputy Director of Finance.

3.5. Professional methodologies for assessing and managing projects should be employed, including

- Business cases for all projects and IT investment – this is not currently enforced

- PRINCE2 – project management methodology

- MSP (Managing Successful Programmes) framework and concepts

- ITIL (IT Infrastructure Library) - service management

- SFIA (Skills Framework for the Information Age) – IT skills structure.

Cabinet on 15 April 2010 agreed to the implementation of MSP, ITIL and SFIA.

3.6. Business lead risk assessments should determine appropriate levels of business continuity and disaster recovery for business processes and service delivery, underpinned by appropriate IT services. This process should be lead by the Deputy Director of Finance.

3.7. The Business Architecture team of IT Services should be transferred to the Deputy Director of Finance to separate the determination of security standards from implementation. Again, this would represent good corporate governance.

3.8 The previous decision to form a corporate IT unit is endorsed by Socitm Consulting and while any continuing outposts of IT staff should be incorporated, IT staff should be visible in departments in line with the distributed office model.

3.9. Emphasis must be placed on improving communication and customer service using corporate Service Level Agreements (SLA's) and centred on a strengthened account management function and service desk.

3.10 Most systems remain appropriate but the Council should review the business requirements for Customer Relationship Management (CRM) and Corporate Electronic Document Records Management (EDRM) systems currently in use to determine their ongoing suitability to meet the business demands and timescales.

3.11 A future wide area network renewal should consider a "ring" structure rather than a "star" structure for improved resilience.

3.12 Despite the requirements of Government Connect, networks will need more flexibility to accommodate a wide variety of different end-user requirements including third party and volunteer access to Council systems in future.

3.13 The IT service to schools should remain as it currently is pending any developments in schools provision.

4   HARDWARE AND NETWORKS

4.1 The Council is pursuing appropriate technologies in areas such as:

- Unix and Windows Server Virtualisation

- Storage Area network

- IP Telephony

- Thin Client Desktop

- Network technology

but needs to further develop appropriate business cases in support of these initiatives to ensure that the maximum value is derived from its investment in these technologies.

4.2   A programme of planned, phased replacement and life-cycle management of desk top equipment should be implemented. This will have an impact on resources required for desk top support and will reduce the number of calls to the service desk.

4.3   The Wide Area Network design should be reviewed when next appropriate to consider a "ring" design as opposed to a "star" design which will give greater resilience as it reduces dependence on individual points in the network.

4.4.   Network security should be reviewed to give a more flexible approach e.g. to allow third party access to systems while still complying with Government Connect although it is recognised that having a network shared with schools and libraries is an added complexity.

4.5.   The increasing need for wireless access and use of mobile media should be addressed in a secure manner where there is a business case for the use of these technologies.

5   APPLICATIONS AND SYSTEMS

5.1   Service specific applications are those in common use across Local Government.

5.2   The Oracle e-Financials system broadly meets Council requirements and is also in common use.

5.3   The Oracle CRM system has attracted criticism for issues with external support and for protracted development times and should be the subject of a business review to determine its suitability. Wirral may have to review this in the future in any case as Oracle's roadmap for this project is uncertain as it has recently acquired a competing CRM product.

5.4   The Corporate Documentum EDRM system attracts similar comments to the Oracle CRM. The business requirements for an EDRM system at corporate level should be reviewed and then the Documentum specification evaluated against these requirements.

5.5   The Drupal open source system for the Council and Merseyside Pension Fund websites will give useful experience of the issues around the use of open source and if successful open source may be considered as an alternative sourcing method for other applications.

5.6   The Geographical Information System needs to be managed as a corporate technology asset to ensure further corporate exploitation and therefore responsibility should be transferred from the Change Team to IT Services.

6 RESILIENCE AND AVAILABILITY

6.1 The central hardware is configured to give a high level of resilience and business continuity but its location is poor for the purpose of disaster recovery.

6.2 The location of the data centre rooms, two in the Treasury Building and one in the Hamilton Building is unsatisfactory and should be resolved to provide greater physical separation and reduced reliance on local electricity and telephone networks. This was agreed by Cabinet on 18 March 2010

7 ORGANISATION AND STRUCTURE

7.1 All ICT developments should be managed and prioritiesd in line with corporate priorities and to common standards. This role should be transferred to the Deputy Director of Finance.

7.2 The concept of the central IT unit is endorsed and any remaining departmental staff should be absorbed into IT Services.

7.3 The Business Architecture team of IT Services should be transferred to the Deputy Director of Finance to separate the determination of security standards from implementation.

7.4 IT Services should be reorganised, placing greater emphasis and resources on the communications, performance and service desk functions which will eventually be responsible for first and second line support for all IT systems.

7.5 IT Services should engage with Members and other service users to establish the requirement for support outside of normal hours.

7.6 The schools IT service, which deals with 95 primary and 13 secondary schools, should remain as it is at present.

8 METHODOLOGIES AND WORKING PRACTICES

8.1 The help desk function should be re-named as the Service Desk and should be strengthened to provide a comprehensive contact point for all ICT issues, providing first and second line support, communicating with service users at a variety of levels and encompassing an enhanced account management function.

8.2 New corporate Service Level Agreements should be introduced for the benefit of IT Services and clients. These will set the standards of the IT service which is required by the Council and provide a means against which the success of the IT service can be reliably measured.

8.3 The new service desk software currently being implemented should act as a base for performance management information.

8.4   The service desk should rely heavily on "self service".

8.5   Industry standard professional methodologies should be developed:

- Business cases for all projects, to enable projects to be aligned with corporate priorities and from which IT resource requirements will follow

- Prince 2 – project management methodology

- MSP (Managing Successful Programmes) framework and concepts

- ITIL (IT Infrastructure Library) - service management

- SFIA (Skills Framework for the Information Age) – IT skills structure.

8.6   ITIL is the most widely accepted approach to IT service management in the world.

It is a best practice framework that has been drawn from both the public and private sectors internationally. It describes how IT resources should be organised to deliver business value, documenting the processes, functions and roles of IT Service Management (ITSM).

Amongst the benefits of ITIL are:

- Reduced costs

- Improved IT services through the use of proven best practice processes

- Improved customer satisfaction through a more professional approach to service delivery

- Standards and guidance

- Improved productivity
- Improved use of skills and experience

8.7   SFIA provides a common reference model for the identification of the skills needed to develop effective Information Systems making use of Information and Communication Technologies.

It uses a common language and a sensible, logical structure that can be adapted to the training and development needs of a very wide range of businesses – or simply used 'off the shelf'.

SFIA enables employers of IT professionals to carry out a range of HR activities against a common framework of reference - including skills audit, planning future skill requirements, development programmes, standardisation of job titles and functions, and resource allocation.

9   PRINCIPAL ACTIONS ARISING FROM THE REPORT

Principal Actions	Responsibility	Comment	Date
Reorganisation of IT Services	Director of Finance		31.12.10
Assess appropriate levels of business continuity and disaster recovery	Deputy Director of Finance	Determine in conjunction with Asset Management Strategy and Health, Safety & Resilience Operations Manager.	30.09.11
Consult re out of hours support	Head of IT Services		31.03.11
Implement ITIL/ SFIA	Head of IT Services	Investigate training opportunities, identify relevant staff. May require assistance from external trainers.	30.09.11
Re-tender Wide Area Network	Head of IT Services	Determine in conjunction with Asset Management Strategy and investigate opportunities for sharing with Health Service.	Earliest 31.03.12
Review suitability of and business requirements for Oracle CRM and Documentum	Deputy Director of Finance/Head of IT Services	Extend current review	31.03.11
Implement planned replacement of desk top equipment	Head of IT Services	In conjunction with "thin client" roll-out and Strategic Asset Review.	From 2010
Review Service Level Agreements	Head of IT Services		31.03.11
Review Communications	Head of IT Services	In conjunction with Head of Tourism and Marketing	31.03.11

10 FINANCIAL AND STAFFING IMPLICATIONS

10.1 IT Services has a gross budget of £12.75m as follows:

	£m	
Corporate	10.06	(£8.50m controllable)
Schools Service	2.69	(income from schools)
Total	12.75	

10.2. One of the aims of this strategic review was to assess the possibility of reducing ICT costs by 20% over the period to 2015. Implementation of the recommendations in the report should achieve savings of £1.7m phased over four years.

10.3 The staffing establishment is 188 posts as follows:

Corporate	142
Schools	46
Total	188

10.4 It is anticipated that several of the initiatives currently under way, e.g. desk top thin client or in the near future e.g. lifecycle management of desk tops and fault recording self service, will reduce the need for staff resources.

11 EQUAL OPPORTUNITIES IMPLICATIONS

11.1 There are no equal opportunity implications.

12 COMMUNITY SAFETY IMPLICATIONS

12.1 There are no community safety implications.

13 LOCAL AGENDA 21 IMPLICATIONS

13.1 There are no Local Agenda 21 implications.

14 PLANNING IMPLICATIONS

14.1 There are no planning implications

15   ANTI-POVERTY IMPLICATIONS

15.1   There are no anti-poverty implications

16   SOCIAL INCLUSION IMPLICATIONS

16.1   There are no social inclusion implications

17   LOCAL MEMBER SUPPORT IMPLICATIONS

17.1   Members will be consulted on the requirement for out of hours support.

18   BACKGROUND PAPERS

18.1   ICT Service Delivery Review – SOCITM Consulting – August 2010.

19   RECOMMENDATIONS

19.1.   That the recommendations of the report be implemented.

19.2.   That, as agreed by Cabinet on 18 March 2010, a further report be prepared on business continuity and disaster recovery.

19.3.   That consultation be undertaken on the provision of enhanced out of hours support, any proposals to be reported back to the Cabinet.

19.4.   That, as agreed by Cabinet on 15 April 2010, ITIL and SFIA be developed possibility with initial assistance from external trainers.

19.5.   That the suitability of the Oracle CRM and Documentum systems be reviewed as part of the current exercise.

19.6.   That SOCITM be requested to agree to the public release of the report.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/203/10