

Corporate Overview and Scrutiny Committee

Date of Meeting: 3 February 2020

Report Title: ICT Infrastructure Investment Programme Update

Portfolio Holder: Cllr Amanda Scott – Finance, IT and Communication

Senior Officer: Jane Burns, Executive Director Corporate Services

1. Report Summary

- 1.1. The purpose of this report is to provide a progress update on the Infrastructure Investment programme, including the Evolution programme, which is an ICT Shared Services joint programme with Cheshire West and Chester Council.

2. Recommendations

- 2.1. Recognise the progress to date and upcoming planned activity.
- 2.2. Support the benefits of this ICT led investment programme (Evolution).
- 2.3. Recognise the challenges currently faced with respect to deployment and the associated mitigating activities.

3. Reasons for Recommendations

- 3.1. The large scale and complexity of this ICT investment programme has been flagged by the Corporate Overview and Scrutiny Committee as any areas of interest and one where they wish to be kept informed of progress. The nature of the complexity is two-fold: the evolving maturity of ICT Shared Services; and the underpinning technology challenges.
- 3.2. In April 2016, Cheshire East Borough Council became host of the ICT Shared Service. It took several years for the joint infrastructure programme to be agreed.

- 3.3. In November 2016, Cheshire East ICT Services commissioned Microsoft and Hewlett Packard Enterprises to examine the benefits, total economic impact and potential return on investment both Councils may realise by deploying Office 365 (consisting of Cloud deployments of Exchange Online, Lync Online, SharePoint Online and Office Professional Plus) and the transfer of legacy data centre hardware to a cloud platform. A detailed business case was then produced in January 2017.
- 3.4. At Shared Services Joint Committee (SSJC) on the 24th March 2017, the Committee noted that an independent and holistic ICT review, supported by both councils, was required to ensure ICT in its entirety, enables both councils to achieve their objectives.
- 3.5. At SSJC on the 19th May 2017, the Committee noted that Ernst & Young LLP (EY) were to conduct an independent review, to provide assurance and to determine the optimum alignment of the IT delivery model to meet both councils' future requirements. It was agreed that the outputs from the phases of work would be brought to SSJC.
- 3.6. At SSJC on the 22nd November 2017, the Committee supported the EY recommendations made through the jointly commissioned review of ICT. The Business Case was therefore approved and is actively being implemented through the Infrastructure Investment (Evolution) Programme.
- 3.7. The business case was refreshed again in March 2018 and approved by both Councils.
- 3.8. SSJC continues to receive update reports on progress against the EY recommendations made and Evolution programme.

4. Other Options Considered

- 4.1. Not applicable for this report
- 4.2. The detailed business case included an options appraisal.

5. Background

5.1. Evolution Programme Update

- 5.2. The Evolution programme is a transformational investment programme which will enable both councils to modernise, ensure compliance and deliver a flexible environment to underpin delivery. It will contribute to achieving the strategic objectives of both councils, in their mission to deliver high quality services to the residents and people of Cheshire. A key

delivery principle is that both councils will fully engage with the programme whilst adhering to the programme core principles of standardise, simplify and share.

- 5.3. Evolution is a complex technical and business change programme made up of six core areas with multiple interdependencies:
- 1) **End User Computing and Deployment** –The tools and desktop environments that all colleagues will use to fulfil their roles.
 - 2) **Landscape Simplification** – Reducing complexity in core key applications, the products the councils use and aged infrastructure.
 - 3) **Next Generation Wide Area Network (WAN)** – Ensuring the councils have a modern wide area network providing performing connectivity across all our sites and gives us a platform for the future.
 - 4) **Adoption and Change Management** – How the councils will support their 6500+ users of ICT through this change and to make use of new capabilities.
 - 5) **Unified Comms** – Putting in place new communication tools to enable customer service centre modernisation and staff to communicate effectively through technologies such as Skype for Business.
 - 6) **Security & Compliance** – Continued focus on putting in place tools that keep both councils secure and compliant.
- 5.4. Moving all users of ICT to a more modern experience is a key output for the programme; implementing Windows 10 and Office 365 will be some of the more noticeable changes and will form a strong, secure foundation to support new digital ways of working. These will include increased and simplified flexible working for all staff (and in particular social care) together with providing collaboration opportunities with wider services and partners through Microsoft Teams and a general improvement in performance for everyone.
- 5.5. Evolution will modernise how both councils use ICT, as every single user will see some significant changes, with a large change management and adoption approach being utilised across both councils, joining up with other major change programmes.
- 5.6. The Evolution programme will modernise all the aged and end of life infrastructure (i.e. servers and network), which accounts for over 75% of the existing estate at the outset of the programme, and upon which all the councils supporting systems sit.

- 5.7. The Evolution programme is challenging and a complex programme overall to deliver, given the starting point.
- 5.8. The programme will look to follow best practice and move both councils to a mixture of Cloud storage for most of the councils' needs and updating our data centre to a more modern environment for the rest.
- 5.9. **Benefits**

The benefits and aims of the programme are:

- 1) Enable significant financial benefits for both councils and ICT Services;
- 2) Engage strategic cloud enablement partners as required;
- 3) Provide an energy efficient stable technology platform and meet the essential replacement needs of both councils, ensuring compliance and security;
- 4) Update the remaining data centre/on premise components;
- 5) Create a modern and performing environment, through a hybrid cloud model where major suppliers are planning significant carbon reduction programmes;
- 6) Assess each application and ensure it is hosted in the most cost-effective manner, with the aim of migrating viable applications or products to the cloud;
- 7) Support both councils through this change –
 - With planning for application decommissioning and rationalisation (elements such as data migration are not in scope of this programme);
 - Reducing impacts of change and helping councils to make best use of new capabilities;
- 8) Introduce an improved level of resilience and disaster recovery capability,
- 9) Deliver the necessary tools and processes to enable ICT to be more efficient and effective;
- 10) Deliver a new updated product catalogue that outlines services and associated capabilities for both councils;
- 11) Enable both councils to work in more agile and flexible ways in line with their existing ambitions for Flexible Mobile Working.

5.10. Progress

To date the programme has achieved many of its planned activities including:

- 1) Reducing the levels of aged infrastructure leading to a reduction in significant IT service outages (major incidents) from 146 in 2016/17, 60 in 2017/18 and 35 in 18/19. So far in 2019/20 we have had 13 major incidents;
- 2) Improving overall resilience – The councils now have 3 data centres providing data centre services to the council, Kelly House, Microsoft Azure and Amazon Web Services. On completion of the programme the risk of losing the data centre completely will have been greatly reduced;
- 3) Implementation of a new backup and storage facility which is well now underway;
- 4) Reducing complexity through working with both Councils client teams to evaluate Key line of business systems (KLOB) resulting in a 25% reduction across the estate. A further 18 systems are approved for decommissioning but requires archiving, totalling 28%. This has been a huge collaborative effort by both Councils and the shared service in reducing the volume and complexity of the estate;
- 5) Supported the introduction of over 250 champions (Technology Champions and Bright Sparks) across both councils who have volunteered and been mobilised to support the transition to new technologies. These champions have been trained in the latest products Windows and Office 365 products, so they are ready to help;
- 6) Jointly developed a complex specification for Next Generation WAN. The procurement process commenced in September 2019, with tenders submitted in early November 2019 and award planned for January 2020. Procurement will support operational delivery of WAN and give both Council strategic opportunities to explore Digital/Smart Cities/5G;
- 7) Implemented Quarterly IT Health Checks (moved from annual), significantly reducing the risk of cyber-attack and other emerging cyber security threats;
- 8) Implemented McAfee security suite end client upgrades providing enhanced protection against zero-day threats e.g. ransomware attacks;

- 9) Ensured Public Service Network (PSN) code of connectivity certification achieved for both councils;
- 10) Improved cyber security intelligence (migrated from Google to Central Government service);
- 11) Reduced the threat of security vulnerabilities by the removal of old and non-compliant server software.
- 12) Overall good progress has been achieved to date on key areas of the programme leading to a more stable and secure foundation.

5.11. End User Computing

- 5.12. End User Computing and Deployment is a very visible element of the programme which was originally aiming to complete by the deadline for January 2020 which coincided with Microsoft removing general support for Windows 7 operating systems. Any organisations utilising Windows 7 beyond this point would have to pay for additional extended support for security compliance.
- 5.13. This element of the programme has made some headway by introducing a proportion on Windows 10 and Office 365 (O365) into both Councils and across ICT Services:
 - 1) Pilot Office 365 and Windows 10 with small group of users – August 2019;
 - 2) Pilot extended with additional users – September 2019;
 - 3) Early Adopter rollout for productivity users of Windows 10/O365 – October 2019;
 - 4) Main deployment of Windows 10/O365 has commenced in November 2019;
 - 5) To date 350 users have been migrated with the plan to deliver a further 380 by the end of January 2020.
- 5.14. The programme is aiming to migrate the majority of its users by end of June 2020. The programme will regularly report progress of numbers of users migrated during this deployment phase.
- 5.15. The reasons for the delay beyond January are as follows:

- 1) Despite successfully decommissioning 25% of key applications there remains a vast number of products and software that still require packaging to ensure they function with the new platform.
- 2) Data quality to enable a rich picture of the estate to underpin a deployment plan was much more challenging than expected and caused slippage resulting in delays in verification with both councils.
- 3) Differing ways of delivering flexible mobile working priorities across both councils have led to different desktop solutions causing complexity.
- 4) Higher number of failures than anticipated by 3rd parties to deliver devices and deliver additional connectivity to enable accelerated deployment.
- 5) Major incidents for both Councils requiring programme resources to help resolve key issues.
- 6) Several key resource changes and gaps across the programme.
- 7) Continuing increases in device system requirements has rendered all but 250 of the laptops currently in use in the council, as old technology, incapable of running MS Windows 10. This trend means that the council will no longer be able to sweat its desktop assets to the same extent as previously.

5.16. Despite these challenges there will be no implications on the approved capital budget nor any fundamental change to the agreed scope.

6. Finance

- 6.1. The financial case for Evolution outlines that £19.8m investment is needed over 3 years between both councils, with a large proportion of the investment (£9.8m) allocated to support essential replacement, in order to ensure that we are compliant and stable for our needs now. This investment was agreed through both councils budget setting process, with decisions made at Full Council meetings on 23 February 2017 for Cheshire East Council and 2 March 2017 for Cheshire West and Chester Council. The business case for this was supported in principle by both councils' Section 151 officers.
- 6.2. The joint expenditure for this investment programme in 2017/18 was £4.8m and in 2018/19 was £6.05m. The forecasted expenditure for 2019/20 is expected to be approximately £6m.
- 6.3. The programme is within budget and the spend profile is being monitored by the Joint Strategic Board.

- 6.4. A Joint Strategic ICT Board (JSB) has been established, with responsibility for oversight, direction setting and decision-making, to ensure all elements of ICT change and Business as Usual (BAU) services are understood and fit in with both councils needs and direction.
- 6.5. Evolution Programme governance has been simplified with JSB providing overall direction for the programme.

7. Implications of the Recommendations

7.1. Legal Implications

- 7.1.1. Cheshire East Legal services advise the ICT Shared Service and are fully engaged in developing the revised agreements, governance approach and any subsequent appointments of specialist teams or third-party contracts required for the transformational programme. The Joint Service Improvement Board will receive a quarterly report summarising the current procurement and contractual position relating to the delivery of the transformation programme to ensure compliance the Public Contract Regulation 2015.

7.2. Finance Implications

- 7.2.1. The business case for this was supported in principle by both councils' Section 151 officers and is monitored tightly through robust programme governance. The financial implications of the Evolution programme and improvements in the Target Operating Model are continually being monitored and will inform a new financial cost model for ICT Services.

7.3. Policy Implications

- 7.3.1. Strategic policy implications are limited and likely to be more pronounced at an operational level.

7.4. Equality Implications

- 7.4.1. Not applicable.
- 7.4.2. A full Equality Impact Assessment was produced to support the business case.

7.5. Human Resources Implications

- 7.5.1. Implications on Human Resources are being managed through Joint Strategic Board.

7.6. Risk Management Implications

7.6.1. The Programme actively maintains a risk log which is reviewed and acted upon through governance.

7.7. Rural Communities Implications

7.7.1. There are no direct implications for rural communities.

7.8. Implications for Children & Young People/Cared for Children

7.8.1. There are no direct implications for children and young people.

7.9. Public Health Implications

7.9.1. There are no direct implications for public health.

7.10. Climate Change Implications

7.10.1. This investment programme will underpin the Councils vision to reduce its carbon footprint and achieve environmental sustainability by reducing energy consumption, promoting healthy and flexible working lifestyles.

8. Ward Members Affected

8.1. Not applicable – however all staff and members will have access to flexible and mobile working technology.

9. Consultation & Engagement

9.1. Consultation with both Councils has been established through ICT Shared Services governance arrangements.

10. Access to Information

10.1. Not applicable.

11. Contact Information

11.1. Any questions relating to this report should be directed to the following officer:

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