

Shared Services Joint Committee

Date of Meeting:	16 th April 2018
Report of:	Laurence Ainsworth – Director of Public Service Reform (Cheshire West & Chester) Gareth Pawlett – Chief Information Officer (Cheshire East)
Subject/Title:	Joint Council ICT Services Update Report
Portfolio Holder:	Councillor Paul Bates – Cheshire East Council, Councillor David Armstrong – Cheshire West and Chester Council

1. Report Summary

- 1.1. The purpose of this report is to provide a progress update in relation to ICT Shared Services, focussing on the agreed activities following the Ernst Young Review of ICT Services. Covering the progress of the implementation of a Target Operating Model (TOM) for ICT and Infrastructure Investment programme (Evolution).

2. Recommendation

- 2.1. Note the progress to date and upcoming planned activity
- 2.2. Note that work is still continuing collaboratively to update the shared services agreements dated 1 April 2016 including agreed service catalogue, specifications, performance management and revised payment arrangements are in place.
- 2.3. Note the benefits of the Infrastructure Investment programme (Rebranded to Evolution) and to mobilise the programme to the next checkpoint (Full Business Case) addressing issues around procurement and programme support.
- 2.4. Note in line with both councils approved budget plans, to identify Essential Replacement funding of £9.8m and further funding of £10m to support the move to hybrid cloud with delivery and key checkpoints overseen through joint officer governance, s151 oversight and regular updates to Joint Committee.

3. Reasons for Recommendation

3.1. At SSJC on the 22 November 2017 noted the recommendations made by the Ernst & Young following a jointly commissioned independent review of ICT the output from which was that the Councils take the following forward the below 8 recommendations into mobilisation:

- 1) Strengthen client arrangements and medium term strategic planning;
- 2) Confirm and enhance the ICT Shared Service's key role in supporting common applications and providing commodity ICT while also ensuring full engagement with both clients on projects relating to line of business systems and digital programmes;
- 3) Ensure both Councils fully engage across with the Infrastructure Investment Programme to enable the delivery of key business requirements, to develop the financial case and to maintain momentum;
- 4) Improve and streamline governance at officer level to enable joint working and shared decision making;
- 5) Draft a shared service agreement and proportionate performance management framework supported by a range of intelligence KPIs;
- 6) Deliver a comprehensive training & culture programme to support further staff development involved in ICT across the two Councils and the shared service
- 7) Develop a new organisational structure for ICT alongside clear roles and responsibilities
- 8) Building on the outline business case for infrastructure investment (Evolution), further develop the financial implications relating to a new operating model including clarity on investment and financial / non- financial benefits and new funding arrangements.

4. Background

4.1. At SSJC on the 24 March 2017 the Committee noted that an independent and holistic ICT review supported by both Council was required to ensure ICT in its entirety enables both Councils to achieve their objectives.

4.2. At SSJC on the 19 May 2017 the Committee noted that Ernst & Young LLP were to conduct the independent review to provide assurance and to determine the optimum alignment and IT delivery model to deliver both

councils' future requirements. It was agreed that the outputs from the phases of work would be brought to this Committee.

5. Joint Council ICT Services Progress Update

- 5.1. There has been a lot of progress taken over the last period with both Councils moving forward with the key recommendations these are outlined in 5.2 below

5.2 Progress against EY recommendations

Recommendation	Progress	Next steps
1. Strengthen client arrangements and medium term strategic planning;	<p>CWaC Client structure design moving forward</p> <p>Medium Term (3yr) strategic planning in development.</p> <p>CEC Client structure reviewed, any potential changes will be considered as part of wider ICT Services TOM. Draft TOM ready in May 2018. CEC Client has identified demand for 18/19.</p>	Enhance existing 18/19 plans and develop a 3yr strategic plan.
2. Confirm and enhance the ICT Shared Service's key role in supporting common applications and providing commodity ICT;	<p>Follow up sessions with senior managers from both council's clients and ICTSS have taken place to re-affirm the model and what we mean by commodity ICT. This is reflected in key technology decisions such as XenMobile.</p> <p>A recruitment for a core team to support the analysis and implementation of the TOM has started which will help Councils to what council side functions may better sit in the shared service and are more commodity based and vice versa.</p>	<p>Mobilisation of core team</p> <p>A joint councils meeting is planned to review all workstreams, plans and interdependencies this will enhance and define commodity ICT services further.</p>
3. Ensure both Councils fully engage across with the Infrastructure Investment Programme (IIP) to enable the delivery of key business requirements, to develop the financial case and to maintain momentum;	There is a noticeable increase in engagement between councils and ICTSS regarding requirements for IIP	Continued engagement and requirements gathering to enable the full business case for IIP

<p>4. Improve and streamline governance at officer level to enable joint working and shared decision making;</p>	<p>New Joint Strategic governance is now in place and will improve and coordinate ICT planning activities</p> <p>A wider review to simplify the existing and complex governance is almost complete.</p>	<p>Implement wider simplified governance Mobilise new governance groups that consolidate multiple previous groups</p>
<p>5. Draft a shared service agreement and proportionate performance management framework supported by a range of intelligence KPIs;</p>	<p>ICT Client, Legal and Procurement working group established and workshop 1 has taken place to evaluate current Shared Service Agreement.</p>	<p>Further work in planned over the next period to achieve an interim Shared Service Agreement., Performance Management Framework and procurement strategy.</p>
<p>6. Deliver a comprehensive training programme to support further staff development involved in ICT across the two Councils and the shared service</p>	<p>CEC HR working with ICTSS to develop a baseline skills matrix and associated development programme inline with the skills needed for Evolution and the TOM</p>	<p>Baseline skills matrix will be complete</p> <p>Creation of a Culture and development strategy for ICT</p>
<p>7. Develop a new organisational structure for ICT alongside clear roles and responsibilities</p>	<p>CWaC Client structure will soon be enhanced which will make sure that sufficient resources are in place to plan and engage more effectively.</p> <p>CEC Client structure reviewed, any potential changes will be considered as part of wider ICT Services TOM. Draft TOM ready in May 2018.</p>	<p>Business Analysis and service review planned following recruitment of needed resources to support the ICTSS organisational structure.</p>
<p>8. Building on the outline business case for infrastructure investment (Evolution), further develop the financial implications relating to a new operating model including clarity on investment and financial / non- financial benefits and new funding arrangements</p>	<p>A draft Interim Business case is with both Councils and outlines a clearer financial model and assumption based business case for Infrastructure Investment (Evolution)</p>	<p>Finalise outstanding analysis and progress with a Full business case for delivery in July.</p>

6. ICT Change Programme (TOM Development) Update

- 6.1. A Joint Strategic ICT Board has been established with responsibility for oversight, direction setting and decision making to ensure all elements of ICT change and Business as usual services are understood and fit in with both Councils needs and direction.

The board will:

- Identify potential for collaboration and joint working and overseeing delivery of common solutions.
 - Agree business cases for joint initiatives
 - Perform dual roles of Strategic Planning and Delivery Management in respect of joint initiatives.
 - Agree plans and business cases for Business As Usual (BAU) or Commodity ICT changes within existing budgets
 - Support investment asks for Business As Usual (BAU) and Change ICT initiatives through internal Council governance mechanisms where required and subject to business case
 - Be responsible for making ICT decisions that affect or have an impact on both Councils, either at a Strategic or Operational level.
 - Be responsible for the governance of the ICT Change Programme for the duration of the programme (2 years from December 2017).
 - Act as a point of escalation and resolution
- 6.2. There have been 3 meetings of the Strategic ICT Board since the 22nd November 2017 which has helped maintain momentum on the programme.
- 6.3. The Target Operating Model programme has mobilised 6 key workstreams which now have established plans for delivery. These are:
- Strategic Commissioning & Planning,
 - Design and Solution Delivery,
 - Finance & Commercial,
 - Service Management & Operations,
 - Human Resource & Organisational Development.
 - Stakeholder Management.
- 6.4. There are many interdependencies across this complex programme which will be managed through the programme team.

- 6.5. A number of workshops with all leads is planned in the next period to ensure all of these are captured and are clearly understood across the programme.
- 6.6. The Recruitment of the supporting resources for the ICT Change Programme is now underway.
- 6.7. CWaC have moved forward with the design of the ICT Client structure

7. Infrastructure Investment Programme (Evolution) Update

- 7.1. The Infrastructure Investment Programme (Rebranded to Evolution) is a programme which will modernise all of the aged and end of life infrastructure (i.e. servers and network) on which all of the Councils supporting systems sit.
- 7.2. The programme will look to follow best practice and move both councils to a mixture of Cloud storage for the majority of the Councils needs and updating our Data Centre to a more modern environment for the rest.
- 7.3. The financial case estimates £19.8m investment is needed over 3 years between both Councils with a large proportion of the investment (£9.8m) to support essential replacement to ensure we are compliant and stable for our needs now.
- 7.4. Currently around 80% of the ICT estate has been deemed to be out of date which carries significant risks to both councils of both failure and security
- 7.5. A further £10m of investment between both Councils in more modern capabilities such as migrating 80% of the estate to the Cloud, more modern ICT Management tools and more up to date core council products that will future proof our needs and reduce future cost burdens.
- 7.6. The Business Case for this is supported in principle by both Councils Section 151 officers and will be monitored tightly through robust programme governance.
- 7.7. To date the programme spend for 17/18 is £4.4m
- 7.8. Furthermore, a final Full Business Case will be delivered in July 2018 following on from planned further analysis and engagement, this will detail further clarity on the:
 - Impact and opportunities,
 - More detailed costs and benefits of enterprise modernisation.
 - Detailed implementation and change plans
 - Address issues around delivery capacity and procurements
- 7.9. It is estimated that at the end of July 18 both Councils will have invested £7.3m in the programme (a further £2.9m).

7.10. The programme will mitigate these key risks to both Councils through replacing aging or end of life infrastructure with new more modern infrastructure, taking advantage of cloud hosting where appropriate.

7.11. 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 a 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,
- 6) Assess each application and inform it is hosted in the most cost effective manner with the aim to migrate 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

8. Next Steps

8.1. Further development of the Full business case for infrastructure modernisation and cloud services to clarify to both council's further detail and impacts.

8.2. Finalise key milestones and programme plan including interdependencies for the programme.

8.3. Develop the Interim Shared Service Agreement including Interim PMF and Collaborative Working Agreement

- 8.4. Develop a joint procurement strategy to enable ICTSS to move forward with pace on procurement of solutions through an agreed plan.
- 8.5. Move forward with the ICTSS Culture and development strategy.

9. Wards Affected and Local Ward Members

- 9.1. All wards

10. Implications of Recommendation

10.1. Policy Implications

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

10.2. Legal Implications

Legal will be fully involved in developing the revised agreements, governance approach and any subsequent appointments of specialist teams or third party contracts required for the transformational programme.

10.3. Financial Implications

The financial implications of both programmes are not fully known at this time and will be further developed as part of a full business case.

Equality Implications

There are no equality implications

10.4. Rural Community Implications

There are no impacts on the rural community

10.5. Human Resources Implications

Implications on Human Resources are not known at this time and will be fully set out once a full business case is produced.

10.6. Health and Wellbeing Implications

There are no known implications on Health and Wellbeing at this time

10.7. Implications for Children and Young People

There are no implications of Children and Young People

10.8. Overview and Scrutiny Committee Implications

There are no known specific impacts at this time.

10.9. Other Implications

None

11. Risk Management

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

12. Access to Information

12.1. Previous ICT update reports which set out the background are available publically.

13. Contact Information

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