BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE
EXECUTIVE DIRECTOR OF ADULTS &
COMMUNITIES TO CABINET ON
1 APRIL 2019

DIGITAL FIRST – ENABLING TECHNOLOGY

1. PURPOSE OF REPORT

1.1 The purpose of this report is to provide detail of the proposed Enabling Technology theme as part of the Digital First Programme and seek approval to progress with the recommendations.

2. RECOMMENDATIONS

It is recommended that:

2.1 Funding is approved as part of the Digital First programme to fund the work packages detailed within the report and accompanying business case.

2.2 The procurement of a Third Party Supplier is to be undertaken following approval using public sector framework agreements to ensure the project delivery timescales are met.

3 INTRODUCTION

3.1 This business case was agreed in principle by the Digital Leadership Team on 8th February 2019.

3.2 Digital First is a programme of work which will completely modernise the Council's IT provision; enabling changes to current ways of working and our digital culture to allow the organisation to make the best use of our resources in an era of Digital Transformation. Digital First aims to:

- Enable Future Council by providing the right technology to deliver and develop local services that are truly available anytime and anywhere.
- Fundamentally change the way that the Council 'does digital' with a disruptive approach to introducing improved technology solutions, business processes and governance arrangements across the Council.

3.3 Within the Digital First programme there are 12 key themes, each of which will be supported by a number of work packages. Some themes are around investing in technology and resources to develop our digital capability and others aim to support culture change and improve digital skills, generally adopting a more digital

approach. This report relates to a specific work package under the Enabling Technology theme.

3.4 The theme will create a step change in IT provision for the organisation, enabling capability, capacity and agility. It is a fundamental redesign of some of our core technology on a strategic basis, rather than the incremental approach which has led to our current difficult to manage landscape of hardware and software.

3.5 Our ambition to build a Digital Barnsley requires us to make a significant investment, allowing us to start to consolidate our existing technology and make effective use of Cloud technology where appropriate.

3.6 In preparing this business case, we have sought feedback from Senior Leaders within the council regarding their perception of our 'digital readiness' using industry standard methodologies. Our conclusion is that we are very much at the beginning of the cycle, and lack many of the 'foundations' on which digital services need to be built.

3.7 The scope of the Enabling Technology Business Case is articulated through six key work packages:

1) **Infrastructure and Disaster Recovery:** Enhancing and standardising the underlying infrastructure.
2) **Windows 10 and EndPoint Management:** A key deliverable to support a modern workplace transformation designed to increase productivity, mobility and security.
3) **Microsoft 365:** Brings together Windows 10, Office 365 and Enterprise Mobility and Security into a single, integrated modern workplace service offering.
4) **Collaboration:** Migration to SharePoint Online and OneDrive for Business to reduce on premise storage while increasing findability, compliance and version control and enhancing the collaboration experience for users.
5) **SQL Database Rationalisation:** This will improve performance, but also enable licencing savings.
6) **Transformation Programme:** Rationalising and consolidating infrastructure to improve performance and deliver licencing savings.

All of the above will be underpinned by a Change Management and Adoption programme of work which will harness the changes in technology provision and ensure they are adopted by the business to enable the benefits to be realised.

4. PROPOSAL AND JUSTIFICATION

4.1 In order to formulate and ratify the contents of this complex business case we have engaged in soft market testing with a Third Party Supplier who have provided an indicative project plan and costs to assist the development of the Business Case. Following Cabinet approval we recommend the procurement of a Third Party Supplier should be explored through the use of public sector framework agreements to ensure the ambitious project delivery timescales are met.

4.2 It is recommended that the Council takes advantage of the six key work packages within the Enabling Technology Workstream to drive our Digital ambitions forward by creating a comprehensive transformation programme.

4.3 The use and adoption of these technologies will need to be supported by a change management programme to ensure that the council realises the benefits of this significant investment.

4.4 The key changes brought by the Enabling Technology Workstream include:

- All staff given access to the latest Microsoft productivity which includes sophisticated collaboration tools to enable much more efficient working;
- Our servers will be rationalised and modernised, making them less susceptible to security risks and easier to run;
- We will establish a presence in 'the cloud' which means in future we will be less susceptible to outages and loss of data;
- Core software (such as our databases) will be rationalised and modernised and made robust to technical failures;
- Our users will be able to securely work in a flexible and mobile manner;
- Our IT services will be more resilient.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

5.1 The only potential alternative approach is a continuation of the "As-Is". Many of the short-term activities would still be required and cost similar amounts of money but not taking the opportunity to 'transform' using that money means it will be difficult to reduce complexity and achieve the 'new world' in a short timescale.

5.2 The option is not recommended as there are a number of risks associated with this course of action.

5.3 A continuation of the current as is approach would mean:

- Reducing BAU support for existing IT to divert staff to a refresh and upgrade programme;
- It will be difficult to achieve the level of standardisation and consolidation as the focus will need to be replace and upgrade rather than clean up legacy;
- Day to day pressures are proven to divert and slow the rate of roll out and achievement of benefits;
- Additional resource would need to be brought in however, if this is piece meal it will be less co-ordinated and efficient;
- Continued costs incurred in supporting legacy technology.

5.4 The disadvantages of this approach are as follows:

- Restricts and delays the enablement of core council strategies;
- Limits the ability to provide a resilient stable service;
- Limits the ability to provide a secure and flexible service ;
- Vendors will inevitably remove the ability to continue with conventional licencing models and on premise software delivery approaches.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

6.1 N/A

7.   FINANCIAL IMPLICATIONS

7.1   Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).

7.2   Cabinet approved the Digital First business case for this work stream as detailed in (Cab 5.9.2018/17), approving a funding package of £2.339M.

7.3   In order to formulate and ratify the contents of this complex business case officers have undertaken soft market testing with a Third Party Supplier who have provided an indicative project plan and indicative costs to assist with the development of the business case.

7.4   The cost estimates provided below are therefore presented on basis of best available information at the time of writing this report – it is important to note that final costs will not be known until formal procurement has taken place.
The formal procurement of a Third Party Supplier will be explored following DLT and Cabinet approval through the use of public sector framework agreements to ensure the project delivery timescales are met.

7.5   The soft market test has found the original funding approval of £2.339m is likely to be insufficient to deliver this work package, resulting in an estimated shortfall of £0.154M in "one-off" capital funding and an additional £0.044M in ongoing revenue pressures.

7.6   Whilst it is reasonable to expect a marginal tolerance to the projected costs through procurement it is recommended that a tolerance or upper limit is set so that any variations in excess of 5% of the total costs estimates provided below will require resubmission to Cabinet for further consideration.

It is important to note that the procurement process contains clauses to protect the council against entering into formal contracting arrangements should the bid submission be in excess of the above stated tolerance.

7.7   The table below provides a high level summary of the revised capital and revenue implications required to deliver the Enabling Technology business case over the initial 3 year implementation period to 2020/21 and then on an annual recurring full year equivalent basis. Any variances against the original business case cost estimates, as presented to SMT in March 2018, are included to show the revised funding gap.

Table 1: Comparison of Funding Approved by SMT to Current Cost Estimates

	Funding Approved by SMT 2018/19 to 2020/21 £	Revised Business Case - Feb 19 DLT 2018/19 to 2020/21 £	Variance 2018/19 to 2020/21 £	Funding Approved by SMT Future years £	Revised Business case - Feb 19 DLT Future years £	Variance Future years £
Total Capital	1,462,394	2,202,000	739,606	0	0	0
Total Revenue	1,634,310	971,500	-662,810	528,706	535,200	6,494
Total Expenditure	**3,096,704**	**3,173,500**	**76,796**	**528,706**	**535,200**	**6,494**
Savings Generated	-758,000	-680,500	77,500	-379,000	-341,100	37,900
Cost of Business Case	**2,338,704**	**2,493,000**	**154,296**	**149,706**	**194,100**	**44,394**

7.8   Key points to note:

- **Total Capital Costs** - over the Implementation Period (2018/19 to 2020/21) capital costs show an increase of £0.740M rising from £1.462M to £2.202M. This is reflective of the emerging requirement to procure the specialist expertise necessary to deliver the Enabling Technology solution;

- **Total Revenue Costs** – these largely comprise those costs required to purchase the Microsoft licenses necessary to support business case delivery. Whilst a considerable decrease of £0.663M in cost estimates can be seen when compared to original forecasts this is largely due to slippage i.e. the initiative now commencing in 2019/20 rather than 2018/19.

  In terms of Future Year Revenue Costs a relatively small increase in annual revenue costs of £0.006M can be seen.

- **Total Expenditure** - from 2018/19 to 2020/21 combined Capital and Revenue expenditure is £3.174M representing an increase of £0.077M when compared to the original estimate of £3.097M;

- **Savings Generated (or return on investment)** - during the Implementation Period have been revised to £0.681M (a decrease of £0.078M); this is due to the refinement of revisions to expectations around software and licensing costs. The associated ongoing annual (FYE) savings post-implementation show a saving of £0.341M, a reduction of £0.038M;

- **Cost of Business Case -** the table shows the following adverse variances/funding shortfalls:

➤ **One-off costs of £0.154M relating to the Implementation Phase** – this has been discussed with the Capital Oversight Board and it is proposed that this is covered off from Residual Capital Funds held by the Communities Directorate.

➤ **A Future Year Revenue Budget Pressure of £0.044M** – representing a combination of increased Future Year expenditure (£0.006M) and a reduction in 'Savings Generated' expectations (£0.038M) the recurrent shortfall will be accommodated from elsewhere within the Digital First in line with the total agreed budget allocation for the Programme.

7.9 Whilst implementation of this business case in isolation will result in increased revenue cost it is an essential component in the implementation of the Council's Digital First strategy, supporting the delivery of the £1.488m in planned savings across the Council.

7.10 These savings will be detailed in subsequent reports but will include:

- reductions in support required to core products such as Outlook and Office;
- reduced deskside support required as end user compute will be consistent and reliable;
- improved automation of service desk tasks and enhancements to end user asset management;
- significantly enhanced capability to rationalise software around the Microsoft stack;
- reductions' in hardware maintenance contracts brought about by data centre rationalisation.

7.11 The Appendix A attached to this report shows the detail of the revised business case.

8. EMPLOYEE IMPLICATIONS

8.1 The procurement and implementation of the six key work packages within this programme will impact every employee positively. It will provide them with tools to allow increased agility, reduced complexity and dependencies and they will be cohesive, consistent and reliable.

8.2 To drive our Digital ambitions forward we will work to the following principles:

- We will work as one team;
- We will embed great leadership at every level;
- Strong and ambitious workforce;
- Clear ambitions and outcomes from the programme;
- Focused on our customers and the community;
- Continually looking to improve.

8.3 A further report will be presented to Cabinet in due course detailing the revised IT service provision and how this will contribute to the cross cutting KLOE.

9. LEGAL IMPLICATIONS

9.1 The Council must ensure that all contracts that are exited as part of this project are done so in accordance to contractual terms and conditions stated in the contract and do not breach any legal regulations.

9.2 The Council must ensure that any contracts entered into as part of this project are done so in accordance to any related legal governance and the agreed contractual terms and conditions do not breach any legal regulations.

10. CUSTOMER AND DIGITAL IMPLICATIONS

10.1 This programme will revolutionise IT Provision in the organisation, creating a council with capability, capacity and agility.

10.2 The 6 key themes will support us at the start of our Digital Transformation journey focusing on empowering our citizens, our employees and building a confident, capable council with growth.

11. COMMUNICATIONS IMPLICATIONS

11.1 Business units to be informed of the Enabling Technology Programme of work by engaging with colleagues within Corporate Communications to formulate a comprehensive communications plan to cover all aspects of this complex and large scale programme of work.

12. CONSULTATIONS

12.1 The Councils Digital Leadership Team have approved the Enabling Technology Business Case in principle, and the Capital Oversight Board and SMT have considered this.

13. THE CORPORATE PLAN AND THE COUNCIL'S PERFORMANCE MANAGEMENT FRAMEWORK

13.1 This proposal supports the One Council element of the Corporate Plan (2017-2020), specifically in respect of the following areas:

- Efficiency delivery of projects and programmes;
- Innovative and managed risk taking;
- Learning organization;
- Flexible workforce;
- Working with our partners, communities and residents;
- Enabling the organization.

13.2 In addition, this also contributes to the following:

- **Thriving and vibrant economy**
  Making the changes proposed in this business case will provide us with a digital platform that allows us to more openly interact with the local economy. We will be using the same digital tools and services businesses in our local community use. The proposed IT strategy will enable access to new social channels of

communication that millennials, as well as more mature residents and businesses are already exposed to. We will be better placed to work in partnership with other local businesses and organisations.

- **People achieving their potential**
  We promote the ideas of good schooling, early access to support services, keeping our children safe from harm and having a community where people are healthier, happier, independent and active. Standardising our IT services will make it far easier to analyse the data we collect across various council systems to measure performance in these areas and identify where interventions might be required as trends change. The proposed solution promotes our openness to more flexible ways of working.

- **Strong and resilient communities**
  With an IT platform that can support improved social networking tools, we will can better support local voluntary organisations and help them reach potential supporters. We can vastly improve the ways our customer facing staff interacts with local residents and businesses with more efficient access to the council's data assets.

14. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

14.1 An equalities and impact assessment was undertaken and relevant mitigations will be put in place working closely with the equality and diversity team.

15. TACKLING THE IMPACT OF POVERTY

15.1 N/A

16. TACKLING HEALTH INEQUALITIES

16.1 N/A

17. REDUCTION OF CRIME AND DISORDER

17.1 N/A

18. RISK MANAGEMENT ISSUES

18.1 This programme of work includes a robust approach to project management to provide the following:

- Project Governance – To ensure that effective management of resources, and to mitigate risks and issues
- Technical Assurance – Ensuring design integrity and the implementation of a standardised and field proven reference architectures
- Implementation planning – Following the structured, best practice approach to implement this technology.
- Service Readiness and Transition – Ensuring that each project deliverable is fully supportable and ready for production service.
- Business Alignment – Consistently ensuring alignment of the project objectives and outputs with business requirements

18.2   Tight governance arrangements are in place to ensure delivery of the KLOE in a timely manner.

19.   HEALTH, SAFETY AND EMERGENCY RESILIENCE ISSUES

19.1   The tendered contractor will deal with any third parties where there is a health and safety risk for Council staff to perform the support or requires specialist equipment, such as working at height.

19.2   The tendered contractor will be expected to meet agreed Service Level Agreements to resolve any service issues that arise as a direct result of this programme of work.

19.3   The IT Department has existing business continuity plans regarding recovery of services and systems which will be invoked should a major problem occur during this transformational programme of work. All changes will be approved via the IT department's current Change Management procedures to minimise impact to operational services.

20.   COMPATIBILITY WITH THE EUROPEAN CONVENTION ON HUMAN RIGHTS

20.1   This proposal is fully compliant with the European Convention on Human Rights.

21.   CONSERVATION OF BIODIVERSITY

21.1   N/A

22.   GLOSSARY

22.1   DLT: Digital Leadership Team
22.2   SQL: Structured Query Language (SQL) is a standard computer language for relational database management and data manipulation. SQL is used to query, insert, update and modify data.)

23.   LIST OF APPENDICES

23.1   Appendix A – Financial Implications

24.   BACKGROUND PAPERS

24.1   Digital First - Enabling Technology Business Case.

24.2   If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made.

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