Manchester City Council
Report for Resolution

Report to: Resources and Governance Scrutiny Committee – 13 October
                   2016

Subject: ICT Update

Report of: Chief Information Officer

Summary

The Committee has requested updates on ICT to include:

- Operating Model;
- Key projects; and
- Financial position for the service.

Recommendation

Members are requested to note the report.

Wards Affected: All

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Background documents (available for public inspection): None

1   Introduction

1.1   This report is to provide an update on:

- Operating Model;
- review of key projects; and
- financial position for the service.

2   Executive Summary

2.1   There continues to be good progress in all of the major projects, some of the controls put in place such as the Design Authority, and Project Prioritisation Group are allowing ICT to plan the timing of key changes more. This is having a positive impact on resource planning and cohesion of inter-dependent projects and programmes of work.

2.2   The planning to implement the new collaboration platform utilising 'Google at Work' has begun in earnest and is set to transform the way we are able to work in the very near future. We have identified early adopters of the platform to help shape the rollout to all users over the coming months

2.3   This Google project is underpinned by the progress made in the infrastructure projects such as the mandatory PSN (Public Services Network) and Windows upgrade. All are progressing, and are on schedule to milestone achievements before the end of the year.

2.4   Currently ICT have 14 vacancies left to fill which means we are circa 90% capacity.

3   Update on the ICT Operating Model

3.1   Recruitment of permanent staff remains a priority for the service. Since the last update, recruitment has progressed through a combination of direct advertisement, increased social media presence and using external recruitments specialists to fill the last of the roles.

3.2   Recruitment to the structure will continue in partnership with Hays until October 2016 with a number of external appointments anticipated over the next few months. ICT have been unable to complete recruitment in September 2016 as planned and are considering further recruitment arrangements and options.

3.3   As part of the longer-term strategy to complete recruitment, ICT have initiated a four-year apprenticeship scheme for which there were around 60 applicants. Following an assessment day, two successful candidates started in September 2016 and a further one will start in October 2016.

4   Update on the ICT Portfolio and Project Review

Public Services Network

4.1   MCC must connect to the Public Services Network (PSN) to continue to receive benefits data from DWP and share electorate information with central government. In order to connect to the PSN and apply for PSN Compliance Certification, MCC submitted the Code of Connection (CoCo) documentation to the Cabinet Office in February 2016. An ICT Health Check was conducted by the Cabinet Office in April 2015, identifying a number of issues/risks categorised as 'Critical' and 'High' that must be resolved before compliance is achieved.

4.2   In the last update to this committee, the project reported on the intended resolution of these issues and risks; this involved:
  • Migration from Windows XP to Windows 7, managed by the Windows 7 project team
  • Application of the latest security patches to the server and desktop estate
  • The upgrade of network firewalls
  • The migration of users from the legacy remote access gateway
  • The application of anti-virus to all devices and servers
  • The implementation of various network monitoring and logging tools

4.3   The project has remained on track since the last reporting; however there has been a minor impact on proposed delivery dates due to a dependency on the implementation of the Windows upgrade project, which has had its delivery dates pushed back as the scope needed to be increased. We have communicated this to the Cabinet office who have expressed no concern.

4.4   The project is close to completing the 'Post CoCo Submission' phase of the project. This is the three months after submission when corrective action is required against government recommendations. During this time an internal security test was carried out to anticipate and pre-empt any issues the formal external test tabled for October 2016 might find.

4.5   The internal test carried out on 15-19 August 2016 identified known vulnerabilities and the project will focus on remediation of all significant issues identified ahead of the official security test in October. As this phase of work of the project is drawing to a close, planning for the 2017 certification is under way.

ICT - Digital Workplace Strategy (DWS, Windows 7 Migration Project)

4.6   The DWS Programme, Windows 7 Migration Project will, in a phased approach, replace all non-compliant desktops, laptops and Wyse terminals with a new PSN compliant device and a supported operating system.

4.7   The project is currently halfway through Phase 4 – this is the final tranche of 2192 desktop and laptop upgrades to compliant Windows 7 devices.

4.8   The new remote users' solution providing a way for some employees to access local and shared files without the need to use the Citrix Access Gateway solution is now in the design and build phase with a planned rollout in November 2016. If successful, we would anticipate this being rollout out across the entire user base.

ICT - Platform Hosting – (Part of the Disaster Recovery and Compliance Programmes)

4.9   The key objectives of Disaster Recovery (DR) and any underpinning work is being delivered within the Platform Hosting Programme and these are to:

- Define and agree the hosting platform strategy with built in disaster recovery provision
- Complete the remedial action required following the fire at Sharp
- Ensure the underpinning network infrastructures at the datacentres and working locations are designed to cope with the new hosting target solutions
- Devise tactical disaster recovery solutions to deliver confidence of service continuity in the event of a major incident while the wider strategic work is underway

4.10   ICT has secured initial funding of £900k for the above activities and resources are being requested to define this work.

4.11   Over the past four months ICT has worked with two major suppliers to Manchester City Council and cloud service providers to assess which are suitable to be moved off ICT platforms.

4.12   ICT is also going to look at the viability of cloud options as well as MCC hosted options to provide our disaster recovery services.

4.13   Site surveys are currently being undertaken to assess suitability of locations. These will complete in October 2016 and a location will then be selected. Following on from that there is a three month activity to put in the new resilient link in the selected site and a further three months to ensure that all the technical aspects are fully aligned and tested. This will give us an interim tactical disaster recovery capability for the most vital applications by March 2017.

IT Service Management Tool (ITSM)

4.14   The IT Service Management Tool will allow the department to proactively manage workflow, identify trends, manage the hardware and software estate and streamline the processes currently in place for self-service.

4.15   In our last report to this committee we reported that the ITSM tool will be a solution called ServiceNow. Since then, proposals for implementation by two different suppliers have been considered and ICT have selected one to move forward with.

4.16   Work has been carried out in parallel to ensure that documented processes for Incident, Problem, Change, Configuration and Knowledge Management have been produced in readiness for the first phase of implementation work when the supplier is formally engaged.

4.17   The project has secured the ICT resources required and is on track and within budget to deliver Phase 1.

Collaboration Platform

4.18   A thorough review of the market options identified 'Google for Work' as the appropriate technical platform to suit the Council's requirements and architectural direction for an enterprise-wide collaboration platform, which is an integrated set of online tools that allow people and communities to work together and to communicate online.

4.19   The projects scope includes migration of services off the existing servers as these servers are out of date, complex to maintain and therefore costly to the Council.

4.20   There will also be a positive impact on the resilience and disaster recovery for the Councils IT infrastructure by reducing the reliance on the existing and proposed DR solution as well as implementing resilient internet connectivity for the benefit of all cloud based services.

4.21   The GCloud framework was followed to find an implementation partner and in September 2016 ICT gained approval to award the contract to Cloud Technology Services (CTS), a Google partner based in Manchester. The project team have engaged CTS and initial planning is commencing.

4.22   Planning will complete October 2016, implementation in three phases commencing November 2016.

Solaris Infrastructure Refresh Project

4.23   The project submitted its phase 1 and 2 Gateway 5 document for financial approval on 8 September 2016 and is awaiting sign-off. Phase 3 of the project is the upgrading of the oldest servers and presents the biggest challenge.

4.24   Most of the Council's estate runs on Windows-based servers; however a few do run on Unix based servers called Solaris. The Solaris project is responsible for replacing the existing Solaris server estate and consolidating all Solaris servers onto one hardware platform. The new platform will ensure that a number of the Council's business critical applications will be hosted on a fully supported environment for the next five years with a significant return on investment.

4.25   There are interdependencies with other ongoing projects which will provide clarity on the way forward with phase 3 therefore the project team have decided to focus on detailed planning for stages 1 and 2 only. Phase 3 will need a further funding request when the requirements become clearer, but it is likely that the work for this phase will be de-scoped, following outcomes of the interdependent projects.

Mobile Device Management

4.26   This project involves the migration of 2000 voice and data connections from the T-Mobile to the EE network and replaced nearly all Blackberry phones with new Samsung smartphones. The project is due to replace 95 councillors' phones in the first week of October 2016, which will be some of the last phones to replace. Following this, the Blackberry Service will be disconnected on 21 October 2016.

4.27   The contract with EE is due for review in December 2016 which will impact the planning of later phases of the project, however ICT do anticipate some de-scoping in the last phase (4 - CCTV and Traffic Light SIM swap out) due to changes in policy and contracts in those areas.

Centralisation of Budgets

4.28   In 2014 MCC SMT agreed that all ICT budgets would be centralised, and that ICT would take on the management of the overall City Council ICT budgets. A report submitted to SMT in August 16 ratified the approach to transferring of budgets.

4.29   As part of the report, it was agreed that the centralisation of budgets is carried out on a phased basis, in three stages. They are as follows:

  • Telephony & mobile devices ~ £1.1m (October 2016)
  • Hardware & software for individuals/staff ~ £1.1m (October 2016)
  • Contracts for ICT Services ~ £2.8m (timing/phasing still to be determined, as ICT gather detailed information pertaining to services, costs and associated risks.)

4.30   As part of the transfer, both the budget and actual expenditure to date will be transferred so there are no liabilities remaining with any department other than ICT.

4.31   Further discovery work is required to capture contract information from business leads in order to validate the financial data already gathered. This

activity is key to gain an understanding not only of the supplier relationships and contract details, but also the associated service requirements so transition can occur in a controlled fashion that adheres to the principles of the ICT Transition Framework / passport.

4.32   This activity is resource intensive and a plan is currently being produced to provide more accurate timeframes for executing the work required based on resource available.

5   Financial Position – Revenue Budget

5.1   ICT has a 2016/17 revenue budget of £12.922m which expenditure to the end of July of £7.010m As part of the approved 2016/17 budget the following growth has been agreed:-

- £2.0m – Disaster recovery and data governance
- £523k – Additional staffing budget to support senior management resources for a new ICT operating model
- £400k – Additional software licence costs

5.2   To date the £823k of the growth has been drawn down and is reflected in the approved budget, this is made up £523k in relation to the senior staffing budget and £300k for the additional license costs, the remaining £100k will be drawn down once the year end true up exercise has been completed. The £2m allocation for disaster recovery is not expected to be fully drawn down in 2016/17; further information on this will be provided in the next report.

5.3   The service is currently forecasting a breakeven position in the current financial year. There are a number of staff vacancies, but the underspend on staff costs is being used to offset the costs of contractor staff.

5.4   ICT had a savings target of £435k in 2016/17 of which £180k has been achieved through reduced energy costs following the data centre move from Daisy Mill to Sharp. The remaining £255k is expected to be found from ongoing contract savings, whilst work is still ongoing with suppliers in order to achieve the contract savings, the saving has been offset against the maintenance and refresh budgets to mitigate the risk until ongoing savings have been identified.

6   Capital Investment in ICT Systems

6.1   The ICT programme is forecasting spend of £11.3m compared to a budget of £11.6m, a variance of £300k. Spend to date is £1.3m which is 11.5% of the current forecast. The variance relates to the SAP Contract Lifecycle Management (CLM) and Supplier Lifecycle Management (SLC) project, which has been identified as being dependent on prior completion of SAP Business Planning and Consolidation (BP&C). The timeline for implementation of the SAP BP&C project now means that a practical start date is unachievable in 2016/17 and the funding has been slipped into 2017/18.

6.2   There are a number of ICT projects where business cases are still to be completed (e.g. Collaboration, Solaris), and this could lead to further slippage in the use of the remaining £2.7m unallocated budget within the Infrastructure and Mobile Working fund.