**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee - 2 February 2017

Subject: ICT Update

Report of: Chief Information Officer

Summary

The Committee has requested updates on ICT to include:
- Key projects;
- B Head Survey - High Level Feedback
- Financial position for the service.

Recommendation

Members are requested to note the report.

Wards Affected: All

Contact Officers:

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1.   Executive Summary

1.1   There continues to be good progress in all of the major projects, the Council's SMT has approved ICT's recommended approach to ensure future disaster recovery capability is fit for purpose and address the previously outlined risks and issues associated with the current Sharp Data Centre.

1.2   The ICT capital and revenue budgets are on track to end the financial year in a balanced financial position and the development of a Capital Investment plan is nearing completion.

1.3   Since the previous report to scrutiny there have been significant incidents with both SAP and printing impacting colleagues across the council, these incidents have now been resolved but will require future development work and long term plans are being developed to address the long term stability. Printing responsibility and ownership moved from Corporate Comms to ICT in December 2016

1.4   PSN compliance work has made good progress, we remain on track to submit our 2017 submission in February. A positive assessment of the work done during 2016 by ICT was conducted by the Cabinet Office in December 2016.

1.5   The 2017 B Heard survey have been released. The results show a significant improvement in all but measure of the survey. ICT DLT, managers and staff remain committed to improving this score even further over the next 12 months.

2.   Update on the ICT Portfolio and Project Review

Public Service Network (PSN)

2.1   MCC must maintain and renew annually the PSN Compliance Certificate. This allows the Council to connect to the Public Service Network, continue to receive benefits data from DWP and to share electronic information with central government. The PSN project has remained on track since the last report to scrutiny.

2.2   The official external security test, completed in October 2016, highlighted remediation activities required in advance of the December Cabinet Office visit to review the progress made in the last 12 months and discuss the annual renewal of the PSN Compliance Certificate in February 2017.

2.3   During the visit the assessor made reference to the impressive results of the external security test and commented on the vast improvements made by ICT. Whilst there is still work to do, the Cabinet Office reported that due to the pace of the remediation activity and the priority and support the Council's CIO and SMT has given to the PSN compliance work, the Cabinet Office believe that in the coming years MCC will be acknowledged as a Centre of Excellence in terms of PSN security.

Windows 7 Upgrade

2.4 The Windows 7 Upgrade project has progressed well and is currently on schedule to upgrade all 2,192 desktop and laptop devices to PSN compliant Windows 7 devices by the end of March 2017 (currently at 91%), a key requisite of ongoing PSN compliance. Work will roll forward from this point to upgrade the Windows 7 estate to Windows 10. A Windows 10 trial is already underway.

2.5 A new remote users' solution, being piloted with all Revenues and Benefits staff, will provide a way for employees to access local and shared files from MCC built devices without the need to use the non compliant Citrix Access Gateway, this 'direct access' facility will remove the need for users to be issued with and use a RSA token. Following feedback from the pilot the project team will then make this solution available to all mobile and home based Windows devices.

Data Centre Strategy. Formerly referred to as "ICT - Platform Hosting – (Part of the Disaster Recovery and Compliance Programmes)"

2.6 The paper delivered to SMT 16 December 2016 offered three options which would ensure any future disaster recovery capability is fit for purpose and address the previously outlined risks and issues associated with the current Sharp Data Centre.

2.7 SMT approved the approach recommended by ICT, this is to have an externally managed facility as our data centre with externally managed disaster recovery capability. The ICT services provided through the current data centre facility will be migrated to the new externally managed facility over the next 16 months and Sharp will be repurposed.

2.8 Work is underway to devise specifications for the Council's Data Centre requirements, this will inform the procurement process.

2.9 Updates on progress will be provided in the next report to Scrutiny Committee

Collaboration Platform, Google at Work

2.10 Following the initial planning phase the project has progressed at pace and is on track to deliver the first phase; to move email and calendar functions to Gmail and G Suite giving all users access to leading collaboration tools like Google Hangouts and Google Docs, this will allow ICT to move users from the existing legacy systems.

2.11 To ensure that risks were mitigated the project team initially migrated a subset of ICT and project team staff as Primary Phase users in October 2016, before commencing an Early Adopters Phase in November 2016. The Early Adopters phase migrated a cross section of all council roles (across all council departments) to the new system. 10% of the user base (approx. 600 users) volunteered as 'Google Guides'.

2.12 Google Guides will validate the migration approach, provide feedback on the usage experience, communications, test the overall approach to rollout (training, account, mobile phone guidance) and will assist colleagues during

Global Go Live (moving all remaining users to the new system) by acting as Local Champions. From December 2016, the project has delivered classroom based training to over 500 Google Guides. There are now 723 active users live in the Google Early Adopters Phase.

2.13 Business readiness assessments and a communication and change campaign has now begun across the Council to inform all users of the upcoming Global Go Live. The project team are currently reviewing the findings of the Early Adopters phase and are making final technical preparations.

2.14 The project team continue to work closely with HROD and in consultation with legal and communications colleagues to review and condense the user policies required to support the Global Go Live, strongly focussing on required behaviours and the Our Manchester Strategy.

Centralisation of Budgets

2.15 In August SMT ratified the approach proposed by ICT for transferring telephony and mobile devices budgets, hardware and software budgets and contracts for ICT services to a centralised ICT management function with a view to centralising the budgets for fixed telecoms, mobile telecoms, IT equipment and small/standard software from 1 April 2017.

2.16 Phase 1 Mobile and Telephony budget analysis is nearing completion, with preparation budget transfer to ICT complete and the creation of supporting policy and guidance in progress. This work has delivered £30k one of saving and £14k per annum on mobile connections as well as a one off £42k saving and £56k per annum on telephony contracts.

2.17 Phase 2, Hardware and Software budget analysis is progressing well and on track for the 1 April 2017. In conjunction with HROD the "Connecting Digitally" Policy has been finalised and will be rolled out in February. A software service catalogue is being developed and has identified a list of standard software and all applications delivered via Citrix.

2.18 Phase 3, ICT Contracts; Work continues regarding the approach to the directorate spend and a plan drawn up on a per service basis across 17/18. This is due to the complexity of the services and the additional effort required in agreeing and designing the support and contractual monitoring models for these systems. a complete detailed analysis to identify and validate financial data, collate and capture contract information is ongoing. This is key to understanding the supplier relationships, contract details and service requirements so transition can take place whilst avoiding risks to business continuity. The financial information, approach and timeline is being reported to Directorate Management Teams during February

SAP Update

2.19 The SAP system encountered a series of performance issues from September through to November 2016. The cause of these was identified as the failure of a component, these issues have now been addressed and resolved. The system has been stable for the last six weeks.

2.20 A review of the SAP system has being undertaken by an external SAP consultancy partner. At the conclusion of the engagement we will make recommendations to the Council for use of SAP moving forward both tactically and strategically . It is anticipated that a paper giving their recommendations will be submitted to SMT in early February.

2.21 The SAP team currently applying the annual updates to the system which will ensure ongoing stability and will prepare the system for the new fiscal year.

Printer Rationalisation

2.22 A future delivery approach, owned and delivered by ICT is being developed by the printer rationalisation project team, with full responsibility being passed from the Communications Team to ICT.

2.23 Interim measures have been put in place in order to address the current issues arising from the MCC printer fleet. These have included reallocating printer devices to key areas of concern. ICT will continue to monitor these issues on an ongoing basis.

2.24 A new print solution will be procured through the Crown Commercial Services framework. The tender document is currently being drafted with an aim to submit in the next three weeks.

3   ICT B Head Survey - High Level Feedback (see Appendix 1)

3.1 The summary of results of the 2017 B Heard survey (3rd October 2016 until 15th November 2016) have been announced, and the ICT specific 2017 results show a vast improvement on the previous year's survey with the response rate of staff in ICT increasing by 20%.

3.2 Whilst the overall Council results saw a slight 0.8 increase in the BCI score, the overall ICT BCI score was over 100 points better than the previous year. The ICT department is the only Council department catagorised as a 'One to Watch'.

3.3 The breakdown of the ICT results show more than a 15% improvement since the 2016 B Heard survey for the measurements of Leadership, My Manager and Personal Growth as well as significant improvements for My Company and Giving Something Back. All measurements with the exception of Fair Deal have noticable improved. Once a more detailed breakdown of results are available ICT will be able to better evaluate the outcome.

3.4 The stretch benchmark for ICT in 2018 is 1 star (greater than 659.5 BCI points) a 5% improvement on the 2017 score, however the department is seeking to exceed this target and aims to be the first 2 star organisation in the Council.

4   Financial Position – Revenue Budget

4.1 ICT current year (2016/17) revenue budget is £12.922m and expenditure to the end of   November totalled £10.6m. Growth of £2.923m was approved as part of the 2016/17 budget, and the details are as follows:-

- ● £2m for disaster recovery and data governance
  - ○ £140k has been drawn down in the current year in order to fund additional data governance capacity
  - ○ Work is ongoing to review the disaster recovery options and it is expected that once a disaster recovery strategy is agreed and the costs are known the request to draw down the resources will be made.
  - ○ £1.860m reported as underspend against Corporate budget reported to Executive in December 2016.
- ● £523k – Additional staffing budget to support senior management resources for a new ICT operating model - now included in the ICT budget.
- ● £400k – Additional software licence costs - £300k now in the ICT budget with further £100k will be drawn down if required once the year end licence true up exercise has been completed.

4.2 As at the end of December 2016 the ICT service is forecasting a breakeven position. The key risk is in relation to staffing costs incurred in relation to a project that is not now progressing and lower than forecast staff time being charged to capital projects. However this is being mitigated by ring-fencing the maintenance and refresh budgets to cover any shortfall.

4.3 The forecast position is net of the ICT had a savings target of £435k in 2016/17 savings target, of which £180k has been achieved through reduced energy costs following the data centre move from Daisy Mill to Sharp. For the remaining £255k, whilst work is still ongoing with suppliers to achieve contract cost reductions, the saving has been offset against the maintenance and refresh budgets to mitigate the financial risk.

4.4 As part of the 2017/18 – 2019/20 budget, proposed savings from ICT of £1.150m are included with £460k being delivered in year 1. These are to be delivered through a combination of staff reductions (£160k), contract savings (£150k), reduced maintenance and refresh (£100k) and reduced travel costs following introduction of Google (£50k).

5   Capital Investment in ICT Systems

5.1 The ICT programme is forecasting spend of £5.4m compared to a budget of £10.2m, a variance of £4.8m. Spend to date is £2.6m which is 48.1% of the current forecast.
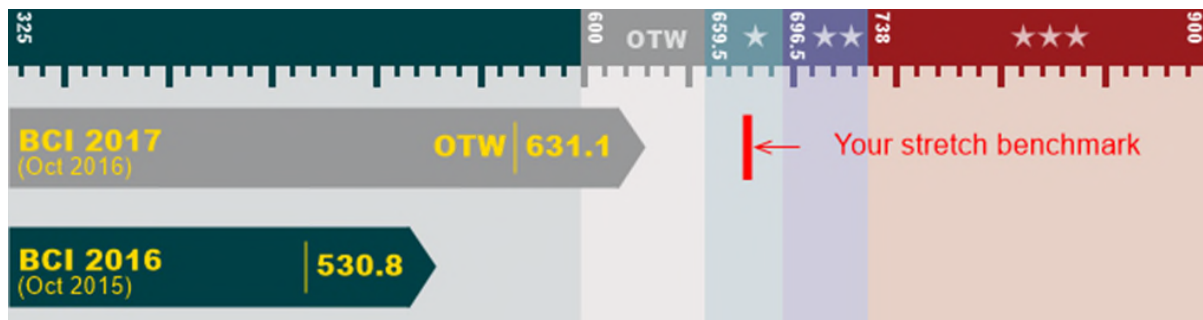
5.2 The various interdependencies between projects mean that some projects have needed to have been delayed whilst existing projects are completed, for example Corporate Digital Telephony. There are also unallocated funding pots, totalling £3.5m, which will not be required in 2016/17 and therefore are forecast to slip into 2017/18.

5.3 The changes described above means that slippage of £4.7m is required into 2017/18.

Manchester City Council Overall
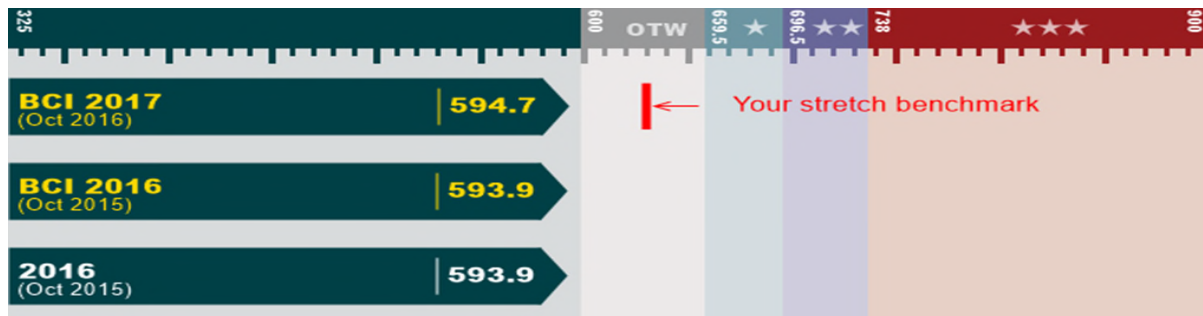
Corporate Core/Chief Executives/ICT

ICT vs. 2016