CABINET	Agenda Item 86
	Brighton & Hove City Council

Subject:		**SE7 ICT Joint Working**
Date of Meeting:		**14 October 2010**
Report of:		**Director of Finance & Resources**
Contact Officer:	**Name:**	**Catherine Vaughan** **Tel:** **29-0283**
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Key Decision:	**No**	
Wards Affected:	**All**	

FOR GENERAL RELEASE

1.   SUMMARY AND POLICY CONTEXT:

1.1   Brighton & Hove City Council is working as part of the South East 7 ("SE7") group of authorities in the south-east to improve services and secure greater value for money and millions of pounds in savings for the public purse.

1.2   This report sets out the work that has been undertaken on information technology which has been led by Brighton & Hove City Council and seeks approval for the strategic vision and detailed workstream proposals.

2.   RECOMMENDATIONS:

2.1   That Cabinet agree the strategic vision of a "network of networks" for the southeast region.

2.2   That Cabinet agree the six proposed ICT workstreams.

3.   RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1   The SE7 group comprises Brighton & Hove City Council, West Sussex CC, East Sussex CC, Hampshire CC, Surrey CC, Kent CC and Medway Unitary Authority. The SE7 group have signed a memorandum of understanding setting out how they will collaborate to explore opportunities for joint activities, including procurement and contracting arrangements, to yield major savings across the region. In addition to procurement and contracting, there is potential for closer working around sharing information, skills and resources. The SE7 group intends to use their combined strength to drive down costs and improve services.

3.2   The councils, which have a combined budget of over £3.4 billion and serve about 5.3 million people, have identified four areas of work where they are currently concentrating their efforts. These are:
   ▪   highways construction and maintenance;
   ▪   special education facilities;
   ▪   waste management;

- and information technology.

3.3 Brighton & Hove City Council is the lead authority for the ICT work and this is being sponsored by the Director of Finance & Resources. Reports on progress on the other workstreams will be brought to future Cabinet meetings.

3.4 All ICT departments are facing the same high level challenge – to deliver significant savings against their own direct expenditure while maintaining sufficient skills and capacity to enable savings to be delivered by the rest of their organisations through the effective use of technology. It is clear that greater collaboration across the region can make a significant contribution to meeting that challenge and also that IT is central to successful public sector transformation programmes.

3.5 The SE7 authorities start from a position of relative strength in their collective ICT provision. Overall there is a strong and recognised track record of delivering significant projects on time and on budget particularly in relation to central government and other public agencies. Where they exist, benchmarks demonstrate relatively low costs compared with public and private sectors. There is also a great deal of innovation and nationally recognised good practice across the region. The recommendations in this report seek to build on this.

Communications

3.6 Communications between all the SE7 ICT departments have strengthened, and this in itself has already brought benefits. The networking opportunities have been spread to staff below CIO (Chief Information Officer) level, many of whom have become directly involved in the seven separate workstreams originally identified. Of particular benefit has been the links made between technical infrastructure managers who are often grappling with similar highly technical issues and are able to do some joint problem solving (e.g. networks, software management, security and data centres).

3.7 A shared website hosted by ESCC has enabled documents to be pooled and web-based telephone conferencing once a month has contributed to efficient working, including minimising travel times, costs and carbon footprints.

Lobbying , influence and supplier negotiations

3.8 The SE7 CIOs have begun the process of joint working to lobby for cost reduction from IT suppliers and also reduced burdens from central government. Procurement data has been captured on where interests overlap and plans are being developed to start detailed cost reduction negotiations with IT suppliers across the SE7 group. Lobbying of central government is likely to be in areas such as procurement (e.g. the role and contribution of OGC – Office of Government Commerce) and in policy (e.g. the cost of the 'Code of Connection').

3.9 The SE7 have agreed to send representatives to national strategy meetings who are mandated to speak on behalf of all the SE7 group, including:
- Membership as SE7 group at the Local Government ICT Collaborative Procurement Forum;

- Meetings with OGC Buying Solutions as an SE7 group, specifically on LA software licensing needs;
- National and Local CIO Council, which sets national IT strategy and policy (e.g. Code of Connection).

Priority Workstreams

3.10 A prioritisation exercise was undertaken to identify the areas of work of most significant strategic and financial benefit. The following six workstreams are proposed:
- Networks
- Data Centres / Disaster Recovery
- Procurement
- Desktop services and equipment
- Mobile & Flexible Working
- Contact Centres / Customer Access

3.11 A high level assessment of the potential scale of savings in each workstream is set out below in Table 1. Work in these areas could help IT departments deliver planned savings targets in a more efficient and effective manner than could be achieved without this degree of collaboration. This is therefore not to suggest that the level of indicative savings is only achievable through, or as a result of SE7. However, all CIOs agree that they will achieve greater savings together than apart.

3.12 The level of savings in each authority and the timing of them will depend on a number of factors including:
- the current infrastructure;
- the level of joint working and procurement already in place;
- contract end dates and values; and
- the ability to align business processes.

Table 1 – Savings ranges

| Workstream	Estimated spend across SE7 * £m	Range of potential savings for each authority	Timeframe for delivery
Networks	19.266	5-20%	2 - 10 years
Data centres / Disaster Recovery	4.143	10-50%	1 - 3 years
Procurement	19.370	10-30%	6 months - 3 years
Desktops	7.793	10-40%	6 months - 2 years
Mobile & Flexible working	Currently unquantifiable		1 - 3 years
Contact Centres/ Customer Access points	Currently unquantifiable		2 - 10 years

* excludes spend by WSCC

3.13 As a consequence of these actions there should also be savings in ICT contracts and through aligned IT plans, pooled resources and potentially joint appointments in the longer term. However, the biggest savings will not be in IT.

3.14 At a strategic level the '**Networks'** proposal is the cornerstone for the wider and more ambitious programme of works represented by the multiple workstreams. It is recommended that Brighton & Hove City Council as part of the SE7 group commit to the principle of developing a "network of networks" over the next 2 to 5 years. Kent and Hampshire already have Public Service Networks in their localities and the other areas are likely to need to consider a similar move.

3.15 There is not a proposal to move to a single regional network, as the evidence is that this will not deliver the optimum technical design or most cost efficient solution[1]. It is essential that we should be planning jointly for future network requirements and ensuring connectivity between them. This requires effective collaboration across SE7 to allow multiple solutions to be managed as a common service enabling:
  ▪ Improved design of networks through shared expertise and lower backbone/edge switching and routing costs;
  ▪ Aggregation of demand results in the sharing of infrastructure and management costs and reduces the overall cost to the public purse;
  ▪ Joint purchase of educational internet access for whole region;
  ▪ Lower cost procurement of infrastructure by creating common approaches;
  ▪ Cost reductions elsewhere through use of ICT to transform business delivery;
  ▪ Reduced management overheads;
  ▪ Lower energy costs and carbon footprint through the reduction in numbers of network cabinets and locations.

3.16 This ambition has already been achieved across public service in Wales and there are no technical barriers to achieving it. It is proposed that the SE7 should be pushing government strongly to allow local authorities in the region to lead on this work rather than having a central government determined solution at potentially higher cost imposed on it.

3.17 The workstream on **data centres and disaster recovery** would link to the "network of networks". It is clear that there are too many data centres to be sustainable in the SE7 region. Districts, Unitaries, Boroughs, Counties and many other public service organisations have their own data centres of various sizes and cost. It is the government's intention to move to a leaner, more joined up approach, and a smaller number of linked data centres across the SE7 would reduce costs and improve IT disaster recovery considerably.

3.18 **Procurement** remains a high priority, and it is clear that overcoming the barriers that each SE7 organisation faces in being able to share contracts, must be overcome. If necessary, this should be taken to the OGC so that we can avoid unnecessary costs of tendering. This procurement activity is as important to

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[1] Gartner benchmarking of local authority networks, including the Kent network, identified costs over 50% lower than the equivalent service available from government's national GCSX network

resolve as the benefits on networking. Support from legal teams in SE7 organisations will be needed.

3.19 In the area of **desktop services and equipment**, there are two elements. The first of this is procuring similar technologies on a scale that reduces costs of acquisition, support and disposal. The second is to align our ICT strategies around desktop technologies that maximise the benefits for flexible and mobile working in a consistent fashion. This has clear links to the mobile and flexible working workstream.

3.20 Both the **mobile and flexible working** workstream and the **contact centre access** workstream have identified significant savings which are possible but these depend, typically, on the willingness of organisations to operate in a similar fashion; and many of the savings will not lie directly in IT.

3.21 While the network strategy would drive savings in the other workstreams, many of the other elements also stand alone, in particular there are overarching themes of improving value for money and also making the best use of existing technology. The overall priorities for the programme can be illustrated as follows:

Network of Networks

Best use of Technology

Value for Money
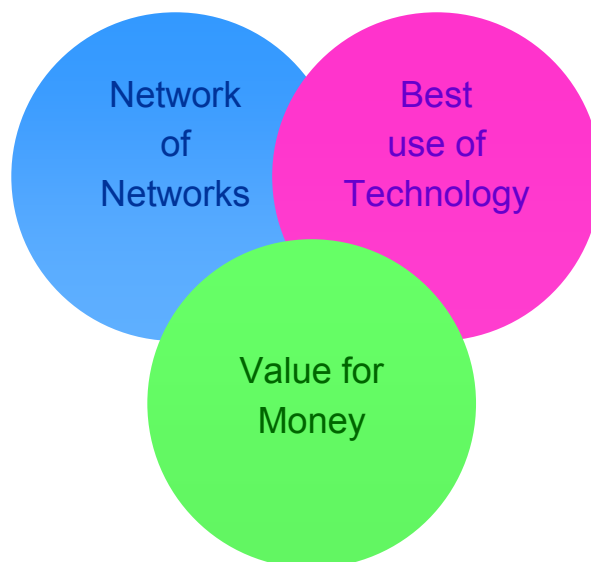
4.   CONSULTATION

This work has been developed jointly between the seven local authorities.

5.   FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The potential scale of savings across the region is set out in Table 1. This approach will help the Council achieve its planned VFM savings targets for ICT.

Finance Officer Consulted: Catherine Vaughan   Date: 30/09/10

Legal Implications:

5.2   Cabinet has the necessary authority to agree the recommendations in this report.

5.3   The form of collaboration underway by the SE7 group is consistent with the council's powers.

Lawyer Consulted: *Oliver Dixon*   *Date: 01/10/10*

Equalities Implications:

5.4   There are no direct implications from this joint working.

Sustainability Implications:

5.5   Sustainability considerations are inherent in much of this work, for example the development of mobile and flexible working.

Crime & Disorder Implications:

5.6   No implications arising from this report.

Risk & Opportunity Management Implications:

5.7   Each workstream has a risk log developed for each area of work. The model of working here enables the Council to be flexible in its decision making about the future operating model for ICT and how it wants to procure and deliver services.

Corporate / Citywide Implications:

5.8   These are set out in the main body of the report.

6.   EVALUATION OF ANY ALTERNATIVE OPTION(S):

The agreed workstreams were identified following a detailed prioritisation process. Working in isolation would jeopardise the Council's ability to deliver the levels of projected savings.

7.   REASONS FOR REPORT RECOMMENDATIONS

Joint working across the SE7 helps to ensure that Value for Money is achieved in ICT provision. More joint planning of ICT will provide a common infrastructure for future collaboration.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents

None