

WARWICK DISTRICT COUNCIL

To : PERFORMANCE REVIEW SUBCOMMITTEE - 22nd March 2000

Subject : FUNDAMENTAL REVIEW OF THE INFORMATION TECHNOLOGY UNIT

From : IT Fundamental Review Group

1 Purpose of Report

1.1 To report the findings of the member group appointed to fundamentally review the Information Technology Service, the Printing Service and the management of telephones.

2 Introduction

2.1 This Sub-Committee agreed, at its meeting on 14th June 1999, the overall structure for the 1999/2000 fundamental review of services. It appointed a subgroup comprising - Councillor Alan Boad, Councillor Caborn, Councillor Mrs Hodgetts and Councillor Ms Flanagan. The subgroup has been assisted by Chris Elliott and Kirsty Russell from the Commissioning Team, Jane Jack from the IT unit and Robert Inman from the Members' Services unit.

2.2 The member group used the guidelines agreed by the Sub-Committee for the reviews and the Government guidance on the four C's approach.

2.3 The member group agreed to commission consultants to assist with the review for particular areas of work such as bench marking, the IT Strategy process and document production (ie printing). A customer satisfaction survey was also undertaken which was being organised by the MAPIT division of SOCITM (Society of Information Technology Managers) in conjunction with the Wolverhampton Business School.

2.4 The member group used the results of the SOCITM satisfaction survey, the comprehensive bench marking study prepared by Hedra, a report on the current and future IT Strategy carried out by Terraquest and a report on Document Production Services prepared by Xerox, to arrive at the conclusions and recommendations that follow below.

3 Conclusions

3.1 The overriding conclusion of the review is that the current IT service is cost effective and users are very satisfied with the service received. Key points emerging are as follows:

- There is a high level of user satisfaction with the IT service.
- WDC has a very effective and efficient training facility.
- IT provision is cost efficient.
- There is a high level of personnel productivity when compared to the upper quartile benchmark but there is a shortfall of six members of staff to support the current operation.
- There are four times as many black and white printers than the benchmark group and 50% more colour printers.

- The hardware costs are 22% higher than the bench mark group due to the number of printers.
- The software cost per PC is half that of the bench mark group due to the use of WordPerfect rather than MS Office.

A more detailed summary of the various studies is set out at Appendix A.

3.2 However, the review has highlighted a number of aspects which need to be addressed. They are as follows:

- The Council's IT service is dependent on a small number of dedicated staff. This means that the service quality is vulnerable to absences by virtue of holidays, illness and more importantly if staff leave. For example, IT has only one member of staff to work on the IT network. The member group's view is that at current staffing levels the current service quality will be difficult to maintain in the future.
- As a consequence of the insufficient staff resources in IT which should be taking the lead, individual departments are tending to act independently on procurement of both hardware and software. This means that the Council's costs are higher than they could be and that it runs the danger of incompatible systems. The spread of desk top printers is a prime example of the way in which costs are higher than they ought to be because of independent procurement.
- As the staffing levels are so low, the IT unit has to concentrate on running the existing services and is unable to spend enough time on research and development. This means that the Council is not in a position to reap the productivity gains that could be achieved by the introduction of new technology such as Geographical Information System (GIS) and Document Image Processing (DIP). This also means that other service improvements will be delayed and costs will continue at their present level. For example, the other report on this agenda relating to Land Charges suggests investment in GIS. This objective won't be capable of being achieved without the provision of sufficient IT members of staff. The member group's view is that there are bigger savings and improvements to services to be achieved in the organisation as a whole if there is an investment now in additional IT staffing.

3.4 The issues addressed above will be heightened with the following additional requirements being placed on the service in the next few months:

- the IT unit will need to invest staff time in setting up the systems and recruitment to help implement the ISB scheme (the scheme won't pay for this aspect of staff work);
- the IT unit will need to install the new network in Leamington House and subsequently manage the new network; and,
- the IT unit must take on the technological management of the voice and data network system and possibly the management of the printing service without any additional staffing resources.

3.5 If the Council wishes to address these points then additional staffing is required. The review process, supported by the benchmarking results, has demonstrated that IT

would need 6 more FTE posts than it currently has if the current service is to be maintained and if the Council wishes to increase long term productivity levels by investing in more development work.

3.6 The average cost of an IT member of staff is approximately £25,000 per annum. Set against the additional cost would be savings that accrue to the Council by the virtue of better control of IT resources (eg printers) and the longer term gains that would accrue as a result of more efficient systems (eg DIP and GIS linked to Land Charges, Call Centres). The member group considers that the Council would be placing itself at considerable risk if it were to only address the staffing issue through the annual round of bids for resources. If agreed, additional staff could be in place in September 2000 meaning that the additional costs in the 2000/2001 financial year might only be £75,000 at most with a full year's cost being around £150,000.

3.7 In relation to the other services that the member group examined, the conclusions were that:

- the voice and data network service ought to be integrated with the IT service to form an ICT (Information and Communications Technology) unit. The technologies are merging now and it will be more cost effective to introduce this at a time when new equipment is being installed;
- the Council's printing activities ought to be brought together under one management unit;
- a document production strategy/specification ought to be prepared, using Xerox, which would then allow the Council to subject the printing activities to market testing as a managed service. It appears that there is significant potential for savings to be achieved.

4. Key Issues Strategies

4.1 The fundamental review has given the Council the chance to honour its commitment in the 1999 Key Issues Strategies to continuously improve its services and to test itself to ensure that it is providing best value services.

5. Recommendations

5.1 The member group recommend that:

- (i) A new ICT Strategy should be prepared taking into full account the findings of the Terraquest report, outcomes of other fundamental reviews, the ISB scheme and the longer term staffing requirements associated with more IT investment;
- (ii) IT provision should remain in-house as it is more cost effective than externally provided IT services and has a higher level of user satisfaction;
- (iii) The voice and data network service provision should be combined with IT services as an ICT unit;
- (iv) The new ICT unit should take the lead in the preparation of the ICT Strategy and management of its implementation, in particular the introduction of new IT systems;
- (v) There should be a move towards a 'utility' model of IT charging where there is a cost per managed desktop to include a rolling programme of hardware replacement;

- (vi) The IT print function and the central reprographics unit should be combined into one function and the services provided should be subject to tender to be provided as a managed service based in Leamington House.
- (vii) The Performance Plan for the new ICT unit enclosed at Appendix B is agreed;
- (viii) Additional resources are provided in 2000/2001 to enable the employment of 6 more IT staff in order to maintain the existing level of service, allow for the additional demands on staff time that will be placed as a result of new requirements and to allow for an investment in research which will generate savings and productivity gains elsewhere in the Council.

Councillors A. Boad
L. Caborn
C. Flanagan
C. Hodgetts

Background Papers: Reports completed by Terraquest, Hedra, Xerox, SOCTIM and by officers to member group

Contact Officer: Jane Jack (Head of IT), Robert Inman (Head of Member Services), Chris Elliott (Commissioning Director), Kirsty Russell (Policy and Projects Officer)

Tel No/E-mail: 450000/jjack@warwickdc.gov.uk,
450000/rinman@warwickdc.gov.uk,
456004/celliott@warwickdc.gov.uk

Areas in District Affected: All