

ICT Best Value Review

Report to Cabinet

November 2000

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HERTFORDSHIRE COUNTY COUNCIL CABINET MONDAY 20 NOVEMBER 2000

Review of ICT and ITNet Support Contracts

Members of Panel

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1. Purpose of the Report

To present the recommendations of the Member Review Panel for the Best Value Review of ICT and ITNet Support Contracts.

2. Summary

This report sets out the findings and proposed recommendations options arising from the work of the ICT Best value working group. The report also describes the way in which the review has been organised and the processes that have been followed to ensure Best Value outcomes.

Consult, Compare, Challenge and Compete

The Review process has been built around the consideration of the Best Value 4Cs, Challenge, Consult, Compare and Compete. The early stages of the Review concentrated upon information gathering and, in particular, the Compare and Consult elements. As the review has progressed the Challenge element has assumed greater prominence. Consideration of the Compete segment has been dealt with during the Hedra consultancy exercise and as part of hypothesis testing.

Consult

Wide reaching consultation with stakeholders has been a key theme of this review, and has included departmental users, and contractors together with Chief Officers, IT Managers and Unison. Consultation has been in the form of structured questionnaires, face to face discussion with key stakeholders and partners and focus groups with service managers and ICT staff.

Consultation with users of the service was by way of a questionnaire, which was designed by staff themselves. The following table outlines the return rate and numbers circulated.

	No. distributed	No. returned	% returned
Staff including CSCS)	4000	944	23.5

The level of response to the general survey was high compared to similar exercises carried out by Hedra in other organisations.

A number of contractors / potential contractors were interviewed throughout the process. These included: -

- Capita
- ITNet
- Hyder
- Trend
- Cogent

In addition several other authorities and external organisations were consulted including: -

- Kent
- Lincolnshire
- Surrey
- Warwickshire
- Newcastle
- Tesco
- BBC

Further interviews were held with partner organisations such as Health Services and District Councils.

Members also took the opportunity to visit the Education, Social Services and Environment departments to talk through issues with both IT managers and staff.

Compare

A significant level of comparison has been carried out based upon ‘organisational raids’ to other local authorities (see above) and through an external consultancy exercise using Hedra. The Hedra exercise compared our performance with upper quartile organisations from both the public and private sectors. Findings from this exercise served as valuable input into the challenge workshop where we determined what were the key priorities for further work.

Challenge

A key stage of the process was the 'challenge' element. This revolved around a two day Challenge Workshop, the purpose of which was to draw together the team to consider all of the information gathered thus far and included input from an external consultant in the field. The review team were required to ask searching questions about present practices, organisation and service costs.

The external 'Challenger' had been provided with the details of the organisation and its modus operandi in advance of the workshop.

A member of the Internal Audit team was also present throughout the two days.

The first day concentrated on assimilating the information gathered, and beginning to develop themes where we might consider doing things differently. At this stage of the process no ideas were excluded and all thoughts were recorded.

The second day was used to establish key themes for further work and prioritisation of these. The themes developed into 7 hypotheses which the working team were tasked with carrying out further testing and evaluation on prior to production of the final report. At the same time a number of action points emerged, some of which had to be actioned immediately. Progress against these is attached in Appendix 2 of this report.

Compete

The compete element of the review was covered as follows: -

- Throughout the review, external suppliers / potential suppliers were consulted as to how they could provide services to us and what benefits this could bring. The key suppliers are highlighted above.
- A specific hypothesis (Hypo 1) concentrated on the question of outsourcing / insourcing and resulted in recommendations for further exploration of outsourcing in some areas (Support / Helpdesk).

In addition the external consultancy exercise examined current costs compared with what else is happening in the marketplace.

Acknowledgements

See Appendix 3.

Background Information Enquiries

Please contact Stuart Campbell, Head of Corporate Information Systems, (Tel: 01992 588397) if you require any background information.

Scrutiny

This review will be scrutinised by the Select Committee for Resources, Prosperity, Partnership and Consultation.

3. Summary of Recommendations

Appendix 4 contains the timetable for these recommendations.

3.1. Outsourcing / In-house Portfolio Recommendations

- 3.1.1. Tender of a desktop support contract in spring / summer 2001. The specification of this tender to be targeted at addressing concerns raised by this review as detailed in Hedra findings and to exclude help desk element.
- 3.1.2. New contract to be based on definition of outputs and managed / monitored / rewarded accordingly.
- 3.1.3. ICT desktop project work (currently running at circa £570k per annum) to be tendered as part of the above contract to realise efficiencies towards enabling improvements in the service required.
- 3.1.4. The ICT Help Desk to be tendered in separate contract to manage multiple supplier scenario and provide management information for those contracts. The successful contractor to act as “management contractor” to other contracts. Possibilities of links / advantages of aligning with other Customer Relationship contracts to be considered during the negotiation process.
- 3.1.5. The award of the above contracts to be dependent on achieving the following: -
 - * Reduced unit costs of support per PC (see Appendix 5).
 - * Our ability to internally reduce the levels of client management.
 - * That contracts specifically have clauses to address the quality issues raised by the Hedra consultancy work – these to be specified in the tender documentation.
 - * Failing a successful external bidder for any of the contracts, insourcing will be considered.
- 3.1.6. Rationalisation of help desk and support areas to look to free up resource currently tied up in duplication of activity and client management of the existing contracts.
- 3.1.7. HCC to move away from in-house development activity as soon as possible – maximum of three years – by project based introduction of new systems with partner suppliers – e.g. Children Schools and Families

system. This model to also be adopted for other major projects such as financial systems replacement.

- 3.1.8. Corresponding development of IS management role in departments (see 3.2.1. page 5).
- 3.1.9. Examine possibility of introducing partnership contract with independent advisor who does not have an interest in implementation / business of delivery contracts. Use such a contract to benchmark / advise on future direction and award/performance of delivery contractors. Need to agree approach / relationship with delivery contractors before appointing.

3.2. IS Roles and Structure Recommendations

- 3.2.1. Information Services Management role should be introduced into all departments to address the following functions: -

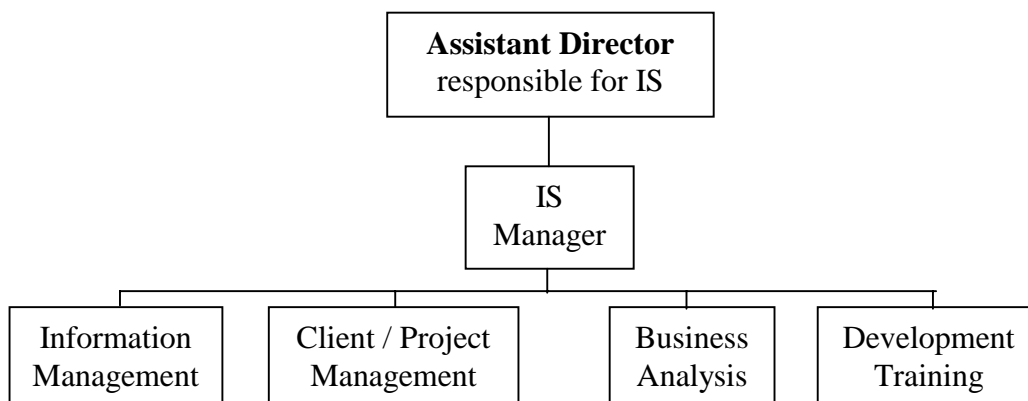
Information Management remit – in accordance with information management principles being established by current taskforce. Also to include strategy, systems (Web / digital, data services), information management.

Client Management for service specific contracts and corporate infrastructure SLA.

Business Analysis – to develop strategic thinking and work up business solutions. To ensure completion of specifications, identification of business benefits and thorough business reprocessing activities take place in relation to development.

Project Sponsor and Management – as identified in the Asset Management Best Value Review – see attached Appendix 1.

Existing Specific Systems Development – to be run down as packaged solutions are introduced, as per hypothesis 1. *Service specific systems training* to remain with departments to address specific needs – e.g. training on Children Schools and Families system.



3.2.2. The above roles should be introduced and located within departments after detailed consideration of resources needed to perform recently revised ICT functions within departments. Current skills and expertise need to be mapped against these requirements and a staffing plan devised and implemented. Some retraining and development of existing staff should be possible but it is anticipated that some recruitment will need to take place to fulfil these roles – particularly in the field of business analysis.

3.2.3. A small team of corporate Business System Analysts should be established and based centrally, possibly within Corporate Services to support cross-departmental, partnership and strategic planning processes. They should possess Information Management skills.

3.2.4. It is recommended that an integrated approach to service planning, information planning and ICT planning be adopted and that ICT should be addressed in business plans at all levels. The service plan guidance being developed for implementation next Spring is an opportunity to ensure that ICT requirements are included in every service plan.

3.2.5. Director of Community Information to be responsible for the co-ordination of the production of the following strategies which should have a three year horizon and be updated / agreed by SMB annually: -

- ICT Infrastructure Strategy
- Information Systems Strategy
- Information Management Strategy (currently being produced by Charlie Watson led task force)

3.2.6. Information and Technology management should be recognised as management of the fourth resource (alongside finance, property and

people). The structure of SMB now and in the future should take that into account with a chief officer responsible for that portfolio. Exploration of other organisations demonstrated no single model of best practice. Management of this portfolio should therefore rest where we can best embody leadership of this function – at this time within Community Information with particular links to Herts Connect etc.

- 3.2.7. Departments to produce annual bids for ICT / IS to a common format based on a business benefits approach including post implementation reviews.
- 3.2.8. Departmental strategies and plans to support the above to be produced on an annual basis and progress reported to quarterly meeting of ADs with the IS remit. Annual / quarterly strategies / plans and monitoring information to be considered by SMB / Cabinet. ICT strategy should feed into and inform the Capital Strategic Plan on a yearly basis.

3.3. Infrastructure and Property Planning Recommendations

- 3.3.1. It is recommended that from an ICT service and delivery perspective HCC should look to reduce the number of properties it operates. However, it is recognised that service location requires other considerations such as local access hence the following recommendation to feed into the overall asset management process as an influencing factor.
- 3.3.2. It is recommended that the ICT costs exemplified be taken into account at an early stage as part of any asset management review of or rationalisation of existing sites.
- 3.3.3. In addition it is recommended that all business process and system design decisions take into account the costs of deploying and running resource hungry systems across the HCC remote office base. The IS function identified in Hypothesis 2 should be set-up to include this thinking into any new IT systems development or IT impacted business practice decisions from a very early stage. We must look to both understand and address bandwidth demand issues on an ongoing basis by the introduction of a process to ensure infrastructure management is involved in the initial planning phases of all projects.

3.4. Helpdesk and Support Recommendations

- 3.4.1. We recommend that a centralised helpdesk is established to provide first fix support for general desktop and service specific applications with remote fixing facility. This hypothesis is concerned with considering the most appropriate form of first line support, the location (in-house or outsource) of the recommended support provision is

considered in hypothesis 1. If an external provider is chosen, it is crucial that we own the management information generated by the call monitoring system.

- 3.4.2. We recommend that 'superusers' or 'local experts' are introduced to enhance communication regarding support issues. Each site would identify a member of staff (superuser) to act as a communication link between their site colleagues and ICT support staff in cases of network failure or software rollout. This role is not expected to exceed 2 hours a month.

3.5 Training Recommendations

- 3.5.1. All departments to implement a common ICT competency framework for computer users. This framework should be based upon and mappable to the European Computer Driving Licence (ECDL). Departments should establish structures for linking their ICT competency planning with other competency and performance management structures so as to be able to plan and report annually on targets planned and achieved.
- 3.5.2. Undertake an initial organisation wide baseline audit (sample) of staff skills to establish the levels required and cost associated with the introduction of competency based training.
- 3.5.3. The Skills Framework for the Information Age (SFIA) should be used to identify the skills of specialist ICT staff, and of other staff who require ICT related skills beyond those of ECDL.
- 3.5.4. A central corporate function / structure to be established in corporate personnel to implement and monitor the delivery of these recommendations. This group should also run, deliver and evaluate the suggested pilot of Computer Based Training / E-learning. Corporate Personnel are judged to be the most appropriate location for this activity in order to ensure the links with mainstream training. CBT also has the ability to deliver other forms of training that are not ICT related. This central function should also ensure that appropriate information management responsibilities are written into managerial job descriptions.
- 3.5.5. Look to optimise the use of Computer Based Training in the organisation commencing with a low cost pilot study for multimedia computer based training based upon the ECDL standard for a period between 3 to 6 months. Pilot programme to run using the TA room, the facility to be managed by the TA Co-ordinator. (The brief trial undertaken in this study gave promising messages but was unable to satisfy us regarding the levels of CBT training that can be expected to be successful.) In this respect the Community Information work should

also be considered a case study.

- 3.5.6. Undertake an evaluation of the CBT project and identify criteria for success. If successful establish Learning Resource Centres at key geographical locations across the authority using existing facilities. CBT is unable to be provided across the network due to bandwidth limitations on the network. Resource centres are also favoured as they allow staff to train away from their desks and the associated interruptions.
- 3.5.7. Designate training and meeting rooms as corporate facilities with centralised responsibility for management look to monitor and maximise their use centrally.
- 3.5.8. Move an agreed proportion of departmental training budgets and staff to Corporate Personnel towards financing CBT and administering corporate training programmes.
- 3.5.9. Require the separate coding of all ICT training expenditure to a corporate standard to provide appropriate management information and monitoring capability.
- 3.5.10. Only provision of training on local systems to remain within departments, but in centrally co-ordinated facilities.
- 3.5.11. Increase training levels dependent on assessed level of need (assume additional 3,000 staff x 3 day course). This has been adopted for the purpose of illustration only.

4. Costs & Benefits

Summary of total costs and benefits (NB. Figures are estimates and provided for guidance only)

	Year 1 2001/2			Year 2 2002/3			Year 3 2003/4			Year 4 2004/5			Year 5 2005/6		
	Cost	Cashable Benefit	Non-cashable Benefit	Cost	Cashable Benefit	Non-cashable Benefit	Cost	Cashable Benefit	Non-cashable Benefit	Cost	Cashable Benefit	Non-cashable Benefit	Cost	Cashable Benefit	Non-cashable Benefit
Hypothesis 1															
Cost to negotiate contracts	£25,000 (opportunity cost)														
Potential efficiencies on project work if incorporated into new desktop contract #						£142,500 - £285,000 #			£142,500 - £285,000 #			£142,500 - £285,000 #			£142,500 - £285,000 #
Hypothesis 2															
Recruitment / training of Business Analyst staff	£17,500			£17,500											
Implementation support	£22,500			£22,500											
Hypothesis 3															
If fully implemented - whole authority savings over 5 year period														£80,000 ongoing*	
Hypothesis 4															
Set up costs of	£62,000														
Reduce wasted staff time #									estimated up to £133,000 in staff hours #			estimated up to £133,000 in staff hours #			Estimated up to £133,000 in staff hours #
Level of efficiencies if 10% more calls are fixed over the phone #									£155,600 #			£155,600 #			£155,600 #
Training Hypotheses															
Competency framework project manager	£30,000			£30,000			£30,000								
Cost of CBT Pilot (3 months)	£1,250														
Increase levels of ICT training for staff (3,000 staff x 3 days p.a.)	£270,000			£270,000			£270,000			£270,000			£270,000		
Totals	£428,250	£0	£0	£340,000	£0	£431,100 - £573,600	£300,000	£0	£431,100 - £573,600	£270,000	£0	£431,100 - £573,600	£270,000	£400,000	£431,100 - £573,600

* While the investment needed to achieve these efficiencies is not expected to exceed the total projected replacement and repairs costs over the five year period, the investment is required up front.

These changes would result in improved / more efficient support / helpdesk service which in turn would result in greater availability of vital computer services and less time spent by departmental staff in resolving issues themselves.

5. Development and Testing of Hypotheses

5.1. Development

As a result of the challenge workshop and subsequent member panel meeting seven hypotheses were agreed which incorporated the words: -

If we were to.....then.....

As part of the process of consultation and challenge these proposed hypotheses were circulated to chief officers, external challengers and Unison for comment.

Adoption of Hypotheses

The member panel examined the proposed hypotheses at their meeting of Friday 14th July and asked the working group to take forward the process by testing each hypothesis to determine whether the ideas could be turned into viable practical actions.

5.2. Testing

The Member Panel asked officers to test the hypotheses to ensure that each could be substantiated and matched with the priorities/objectives for the review and that they could be turned into meaningful and achievable actions with known costs and benefits. The working group carried this work out over a six week period based on both evidence gathered so far and where necessary seeking significant additional evidence and opinion. This work culminated in a final Recommendations Workshop held by the Wider Reference Group on 18 September 2000. The proposed recommendations that emerged from this part of the process are set out in the remainder of this report, together with a summary of the reasoning behind the conclusions.

Detailed findings from each of the hypotheses are attached as appendices to provide further information and to support the summary recommendations.

In summarising the recommendations the three training hypotheses have been drawn together into a single piece of work as requested by members. Where appropriate additional links between the hypotheses have been made.

6. Hypotheses – Summary of Key Factors and Implementations Plans

6.1. Hypothesis 1

To test whether total outsourcing of our ICT function, selective outsourcing of various elements / processes, or total insourcing of ICT provides the best way forward for HCC in terms of efficiency / effectiveness / meeting the needs of services and delivering the corporate agenda.

Summary of key factors

The study rejected the total outsourcing model based for ICT based on an assessment of the current market and Hertfordshire's stage of development in relation to others who are adopting this model. It is a high risk, low flexibility option. If HCC should choose to investigate further then this needs to be undertaken on a wider basis in order to realise full benefits and as such is outside the scope of this review.

The study also rejected insourcing of activity in areas that are best delivered by ICT suppliers. It was argued that HCC would struggle to develop / recruit the appropriate skills and that we could risk taking our eye off the strategic ball. The issues raised in relation to unit costs by the Hedra study are offset by the flexibility outsourcing would provide us in realising efficiencies and improvements that Hedra themselves have helped us identify. The impact on us of higher unit costs is circa £400k per annum. We should be looking to realise this figure in renegotiated contracts in order to invest in the quality improvements identified. Insourcing would not easily provide us with this capability.

It is therefore proposed to move forward with "best of breed" approach to outsourcing based on the proposals outlined above. The following figure contains a brief discussion on each functional area and its suggested relationship to future contracts. Further analysis of the reasoning behind outsourcing in the areas of Desktop Services and Helpdesk are contained within the study. The move towards externalisation of development is the outcome of implementation of packaged solutions to address key systems requirements and from the proposal to redirect effort internally to Information Management and IS – see hypothesis 2.

Fig 1

Functional Area	Outsourcing?	Comments
Strategy	No	Should consult and use appropriate skills of providers but should always retain in-house as means of determining direction, meeting the agenda before us.
Business Analysis / information planning	No	Requires detailed knowledge of services / business. Needs to be core skill developed over next 3 years. See related hypothesis on IMS.
Development /	Yes	HCC should move away from in-house

implementation / maintenance		development / maintenance teams. Over the next 3 years projects such as CSF systems should establish this model and hence enable the refocusing of HCC staff on IS business analysis skills. Contracts should be awarded progressively on a project basis supported by business case.
Telecomms / Voice	Yes	HCC networks / voice is already largely an outsourced function client managed within the infrastructure team.
Desktop support	Yes	To be tendered in Spring 2001. Should be awarded on an outputs basis excluding help desk element. New contract should look to reward innovation and seek to address failings of current contract identified by this best value review. See Desktop services below. Client management of this function should be reduced by internal reorganisation and rationalisation of responsibilities.
Hardware Maintenance	Yes	Recently tendered - awarded to Selection Services.
Desktop projects	Yes	Should be tendered as part of desktop support in order to guarantee resources and to provide efficiencies over current arrangements.
Help Desk	If possible	Should be separated from the desktop contract and tendered separately or brought in-house if this cannot be achieved.
Training	Yes	Already largely outsourced. Rationalise providers for economies of scale. See related hypotheses.
Purchasing	Probably not	Outsourcing not opposed for strategic reasons but HCC still able to add value here and work closely with other authorities / providers to establish best possible prices (see Hedra confirmation). Attempted outsourcing of desktop PC purchasing in early 90s was a failure as supplier did not have the same interest in speed of delivery etc.
Research & Development	Retain some	Need to embed R&D in the above contracts but retain some R&D potential to address HCC specific challenges and keep in-house analysis function up to speed.
Standards / awareness / security	No	Should be retained to realise control over framework and secure environment in which we expect our contractors to operate.
New Technologies	Retain some	Development has already been addressed

		above where recommendation has been to outsource. It is suggested that the only exception might be in new technology areas where in-house work can provide HCC with a leading edge in terms of developing new methods of service delivery etc. e.g. Herts Connect – joint delivery with contractors.
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Implementation Plan

A negotiating team should be established to tender and award new contracts based on the above recommendations. The costs of such a team have been estimated at £25k and should include representatives from contract management and corporate ICT. Tender and award of contracts should take place spring / early summer of 2001 followed by rolling implementation of benefits / efficiencies over the three year period to summer 2003.

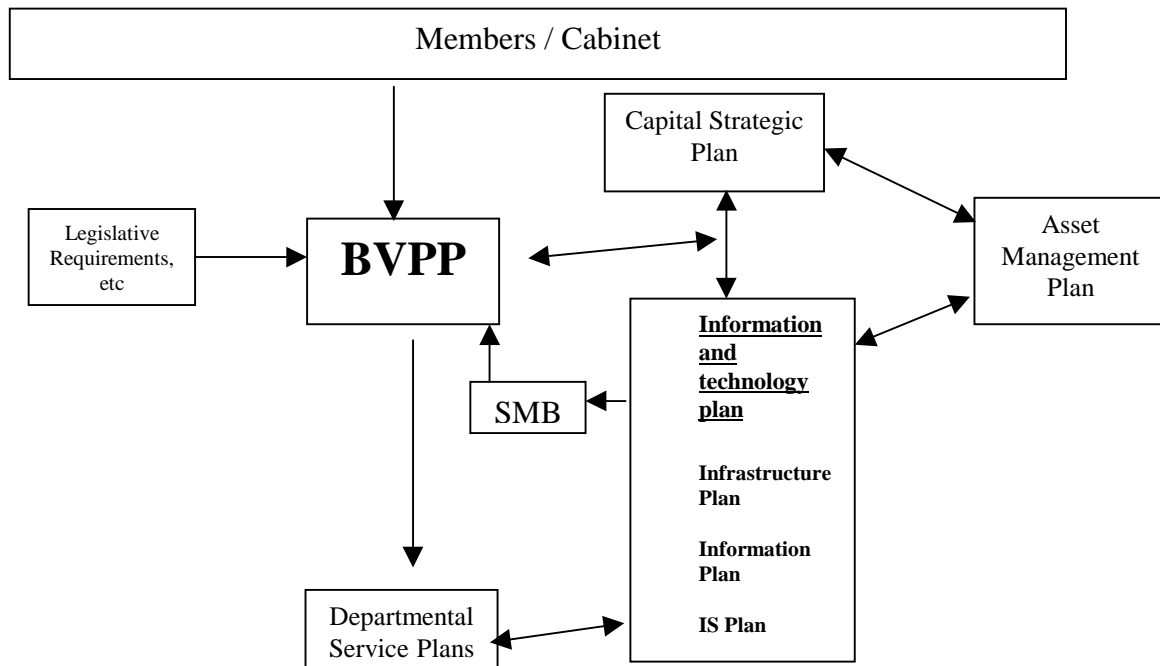
Departments should implement reduction in internal development teams over next three years through introduction of package solutions and have a plan to achieve this.

6.2. Hypothesis 2

If we introduce an integrated business / information / ICT planning process and introduce business systems analyst roles within departments, we will meet business needs more closely.

Summary of key factors

The study has identified a need to integrate ICT planning with Best Value Performance Planning and ensure that ICT links with information planning and departmental business plans to enable services to deliver member driven priorities in the most efficient manner. From a study of current processes in HCC, we discovered that each department operates individual processes for business and information planning which made it difficult to recommend standard procedures for integrating ICT planning. The project team suggests the following processes for the integration of these fundamental functions.



Estimated efficiencies associated with this hypothesis

No financial efficiencies are anticipated in the ICT service. Some efficiency gains may be expected within services as ICT solutions are more aligned to the business needs. Estimated costs associated with the model are initial recruitment / training costs for BSA staff (£35,000) and implementation support (£45,000). These are provided as estimates only and will remain uncertain until conclusion of skills audit.

Implementation plan

When the planning cycle for BVPP is determined, then details such as time scales, membership of groups, consultation with partner agencies can be drawn up for the strategic ICT planning processes. *Ongoing liaison with immediate effect.*

Ensure that service planning guidelines include requirement for ICT to be considered in all service plans. *To be implemented Spring 2001.*

Identify where efficiency gains affect department staff. Draw up job specifications for Information Systems Management roles. Carry out a skills audit among current ICT staff, recruitment and training and devise staff strategy. *By February 2001.*

6.3. Hypothesis 3

If we reduce the number of sites, we could reduce the cost of ICT infrastructure and improve effectiveness.

Summary of key factors

The study has shown that from real evidence taken from the St Albans area there are potential efficiency savings to be gained from reducing the number of sites that we operate. At the same time the exercise would provide the opportunity to increase capacity, performance and resilience to the remaining sites that we would choose to operate. It is argued that we are driven by the market and service demands to refresh ICT infrastructure over a rolling five year period and that these benefits could be realised over such a time frame.

If we could achieve efficiencies at the levels indicated the authority could realise around **£400,000 to reinvest in ICT improvements over 5 years**. This would be dependent on reducing the number of office sites in WGC, Watford and Hemel Hempstead as well as a general concatenation in other towns (but excludes Library sites, although these could be the centralised site in some cases). This projection is given as a guide only and these efficiencies could only be achieved if the initial capital investment could be made. The investment could be funded from changes in our property portfolio although it is realised that this is dependent on external factors and so this report should be seen as adding to the considerations taken into account when such property reorganisations are contemplated.

Implementation Plan

No significant issues arise from a reduction in sites. The implementation of a large single site simply takes longer due to size, however the extra time can be measured in days rather than weeks. The necessary work could therefore be undertaken by the existing teams and contractors. Implementation of the concept has to be driven from the Asset Management perspective and hence the above recommendation that these findings be fed into the thinking / developments already underway in that arena.

6.4. Hypothesis 4

If we introduce alternative models of support provision (e.g. centralised / fix point of contact helpdesk), we would increase user satisfaction and productivity.

Summary of key factors

It is clear that user satisfaction and efficiency would be best served by a helpdesk that offers first-contact fixes for the greatest proportion of support problems. Corporate policy and efficiencies from economies of scale point to the amalgamation of standard PC support and departmental helpdesks into a single operation. Remote fixing would offer additional value in allowing the installation and upgrading of software, thus releasing significant efficiencies. Once a decision has been made concerning the overall portfolio of in-house and outsource ICT functions within HCC (hypothesis 1), then further research should be carried out with potential suppliers to investigate the different options to achieve the helpdesk provision recommended.

Additional support via the 'superuser' model which is likely to be a minimal cost recommendation should be piloted within HCC prior to rolling out across all departments post implementation of new support arrangements. We suggest that a 'superusers' or 'local experts' are appointed to act as focal point for communication between corporate ICT and services, relating to major faults, software rollouts or other ICT issues requiring co-ordination. In the case of a major system failure, corporate ICT would inform these local experts who would keep their colleagues updated on expected timescales for fault resolution. It is envisaged that the role of the superuser in this context would not exceed a few hours per month. No financial implications are associated with this role. Service staff would be recruited on the basis of their interest and location. The role needs to be closely defined as outlined above to prevent conflict of responsibilities with support personnel. That is why we recommend an initial pilot and final implementation following introduction of new support arrangements.

To summarise, the areas in which we should be looking to make improvements and on which success can be judged are as follows: -

- Speed of response
- Speed of resolution (maximise fix at point of contact)
- Clarification of roles and responsibilities (ownership of problems)
- Better understanding by IT personnel of business use
- Having to provide information once and once only
- IT support keeping user informed of problem progress
- Same quality of support across all sites
- Support for equipment at home
- No jargon
- Moving to 24hr / 6 day cover
- Appropriate level of expertise and consistent advice
- Immediate support for critical systems and easily resolved problems (prioritisation of calls)

Implementation plan

Implementation of the help desk solution should be undertaken by the same negotiating team identified within the implementation section of hypothesis 1. This hypothesis report outlines what they should be seeking to achieve and all negotiations should be based on addressing the issues raised here. Time scale for implementation is therefore in line with that outlined by Hypothesis 1 – (tender and award of contracts should take place spring / early summer of 2001 followed by rolling implementation of benefits / efficiencies over the three year period to summer 2003.)

Introduction of the super user concept should take place on a pilot basis only from April 2001 (we would suggest a department such as Children Schools and Families take the lead on this) with final rollout to remaining departments only occurring following successful award and embedding of support

contracts. Typical time for introduction for the whole authority might therefore be early 2002.

6.5. Training Hypotheses

(Hypothesis 5) If we establish a countywide competency framework for ICT skills (including information management and awareness) we would have a workforce with appropriate ICT skills to meet future business challenges.

(Hypothesis 6) If we introduce an alternative training model (e.g. centralise ICT training and purchasing and /or integrate ICT and mainstream training) that takes into account the competency framework and the integration of ICT, information and business roles as far as possible, we would realise efficiencies and ensure a consistent quality of training.

(Hypothesis 7) If we move away from course based training and induction in favour of e-learning we may increase user satisfaction and reduce training costs.

Summary of key factors

The additional tangible overhead cost of implementing a competency framework will be in the central co-ordinating role and associated administrative support. Intangible costs result from additional time in staff supervision to record and implement the framework.

A one year part time project manager and associated administrative support would be estimated to cost £30,000. If the scheme is successfully established, it is likely to require a similar ongoing input for up to two further years to ensure consistent adoption by departments.

Actual cash efficiencies are unlikely to occur unless the organisation is already providing too much training (which does not appear to be the case). Notional efficiencies will be achieved by reducing the cost of the additional training required both through better targeted and customised training, and through the potential afforded to adopt computer based training / e-learning methods (see hypo 7). Few organisations have quantified the cost efficiencies achieved (Unilever identified related efficiencies in external IT tuition of £30k over 18 months). The approach taken by most organisations is to see the framework as a way of maximising the asset value of their human resources to obtain the associated value gained from enhanced use of IT investment.

ICT external training expenditure on both users and technical staff) is extremely low when related to service pay budgets; for example Corporate Services being 0.22% (£20,532) for users; and Social Services 0.06% (£41,393) for 1999/00. Extrapolating for the ranges reflected by these percentages, indicates a wide range of approximation of between £309k and £1.75m being spent authority wide on external ICT training, (including pay -groups not outside the scope of this review.) Figures for 1999, published by the authoritative 'Industrial Society' in 'Training Trends,' reflect average Public

Sector expenditure on ALL training to be 3.3% of the total pay bill. HCC's comparative figure was 1.25% (some £5.7m). Even allowing for variations in costing practices (e.g. some organisations apportion salaries costs) our research does indicate a significant general under-funding of training, and of ICT training in particular.

Days training provided, in relation to departmental head counts, are also very low at between ¼ to ½ day per annum. These figures are significantly inflated by Lotus Mail training, and in normal year would be less. The overall picture is therefore one of low training provision and low-levels of expenditure. Even if the most cost-effective methods of provision are used, additional resources will be necessary to bring all staff up to, even as a minimum, the ECDL standards. The levels of expenditure required will only be ascertained by undertaking the skills audit proposed.

Of the alternative models of provision considered traditional courses on a charge per head are very significantly the highest. Courses run in-house using contracted trainers (the current Social Services model) have the next closest cost similarity and Computer Based Training is the lowest.

Identifying and extracting training costs and provisions was a time consuming manual process and improvement must be required in how we report and monitor this information.

Implementation plan

The key implementation issue arising from the above work is the introduction of the centralised ICT training function within Corporate Personnel. This should be led by a senior officer in the personnel function and actioned over the first four months of 2001. The issues that need to be addressed are as follows: -

Identification and agreement of staff / resources to transfer to the central unit. Consultation with departments / union.

Establishment of central unit and commencement of administration function. We would envisage this being achieved by early summer 2001.

The sample audit of ICT skills in line with ECDL standards should be addressed by the newly established group as one of their initial actions. This will enable the authority to cost and plan for the introduction of the proposed competency frameworks for financial year 2002/3.

The pilot of CBT training can be undertaken early 2001, again to feed into the above planning process. We have suggested that the Technology Awareness officer lead on this in close liaison with County Personnel.

Departments should be required to commence coding all ICT training separately to specific budgets from April 2001.

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APPENDIX 1.

PROJECT SPONSOR / MANAGEMENT ROLES FROM ASSET MANAGEMENT BEST VALUE REVIEW – adapted for ICT

Project Sponsor Role

- ❑ Big picture
- ❑ Initiate the project
- ❑ Assessment of needs
- ❑ Define the scope and boundaries of the project;
 - ❑ Option appraisal
 - ❑ Feasibility study commission
 - ❑ Obtaining funds
- ❑ Gaining necessary approvals
- ❑ Manage the project manager's performance of delegated responsibilities
- ❑ Define the criteria for control and management of the project
- ❑ Monitor the implementation by the project manager of control and management systems
- ❑ Assist the project manager in the resolution of problems
- ❑ Act as the department's sole point of contact with project manager
- ❑ Ensure that the project manager receives departmental decisions on time
- ❑ Receive and review detailed reports on the project from the project manager
- ❑ Establish with the project manager a common approach to major issues which arise; and
- ❑ Maintain at all times an overview of the project status in relation to the established objectives
- ❑ Taking delivery of the project
- ❑ Post implementation evaluation
- ❑ Reporting to corporate IS group.

Project Manager Role

The delivery of the project within specified time cost quality targets

Responsible for

- ❑ Detailed communication with users
- ❑ Development of detailed user requirements, client requirements and the brief
- ❑ Identifying where change approvals are needed
- ❑ Seeing that detailed approvals are gained
- ❑ Single point of contact for the design and implementation team
- ❑ Signing off approval at design stages
- ❑ Estimates of time cost quality
- ❑ Co-ordination of activities
- ❑ Consultation with users, agencies, stakeholders
- ❑ The delegated project budget, delegated programme budgets and reports
- ❑ Community liaison
- ❑ Gatekeeper role for all parties producing the project
- ❑ Regular reports to project sponsor

- Ensuring value for money and optimum procurement choices
- Taking ownership of the business case and the outline brief and where not possible to keep within it to get further authority to act
- Management of the professional team
- Organising, conducting and reporting customer satisfaction survey's before during and after a project

APPENDIX 2.

Progress against Action Points raised at Challenge Workshop stage of the review.

At the last meeting of the panel members asked for a quick update on progress against the action points that emerged at the challenge workshop stage of the review. All IT managers have been copied in on these action points and progress / actions still to be taken is on the agenda of their next meeting. The following tables outline progress to date: -

Challenge Workshop Action Points	Progress to date
1. We should communicate our ICT standards and information strategy to staff / members and establish a mechanism to enforce their use.	ICT standards pamphlets were distributed to staff with new car permits in August 2000. A new ICT induction process has been drafted. Mechanism to enforce will come with implementation of hypothesis 2.
2. We must develop, make explicit and communicate a strategy / vision of what we are looking to achieve using ICT on an annual rolling basis (SMB process).	The mechanisms to achieve this have been identified in hypothesis 2 and will be implemented for next financial year.
3. Establish an alternative forum to the Information Board – to inform / advise SMB and take actions away – (see attached diagram at end of document for one example).	Again, this thinking has been moved on in hypothesis 2. Proposals for this group and its relationship with SMB are outlined in that document.
4. We should establish a bi-annual user satisfaction survey (e.g. as recently conducted by Hedra) and use the results to concentrate effort on improving support performance. NB: Schools and the public (who use our technology via libraries) to be included in the survey.	Next survey – summer 2002.
5. We should establish a standard business case methodology for use across the authority - for example, Cranfield business benefits model (to include post implementation phase). Training costs / implications in all proposals.	We have commenced drafting of this methodology for implementation before the end of this year.
6. Establish departmental and corporate ‘approval’ process for all developments. Approval process to be completed before investment / development commences.	This has been built into the draft outlined above. It contains requirement for approval to be sought at departmental AD level where expenditure exceeds £500 and at corporate steering group / SMB where it exceeds £25k.
7. Establish common development methodology, which seeks to derive maximum benefit from proven systems.	Also part of the draft outlined above. Further developed in Hypos 1 and 2 with suggestion that development moves to

	package footing completely over next three years.
8. We should establish a rolling medium-term (3-4 years) costed programme for ICT.	This is embedded in the hypothesis 2 proposals.
9. Ensure that review is built in to all ICT planning.	Communicated to all ICT managers. Needs developing in methodology.
10. Co-ordinate ICT training facilities and methodologies.	Key proposal emerging from training hypotheses.
11. Establish a programme to provide wider Intranet / Internet access for all with identifiable need.	This is being actioned for high priority areas such as Manpower contacts. Remainder of programme to be established.
12. Establish a standard project management training course (mandatory for project managers) including soft skills – people implications.	To be actioned.
13. We should establish, record and communicate our principles for ‘make’ or ‘buy’ decisions.	This has also been drafted as part of our development / investment mechanisms.
14. We should develop countywide forum (ideas / sharing for information – districts / health / internal etc.) to encompass / replace existing range of groupings.	To be actioned.
15. Establish a county wide easy to use index and access electronic documents management system.	Documents manager to commence work on this proposal from December 2000.
16. Assess applicability of BS7799 security information standard and implement where appropriate.	Working with District Audit to pilot an audit of a section of the authority against this standard to establish any gaps / work to be undertaken across the authority.
17. Establish a culture of sharing relevant information already obtained by staff – various national bodies, e.g. SOCITM / BSI / CSS.	We have commenced this work with the Information Group. It is embedded in the first principle of the proposed information strategy.
18. We should develop and implement an information strategy.	This has been drafted. The information task force under Charlie Watson will monitor implementation for the first year.
19. Project management skills should be employed at all stages of the ICT planning and implementation process.	Communicated to ICT managers and being encouraged. Projects will be monitored against such criteria.
20. Maximise use of common databases.	Our strategy is to move forward implementation of systems around common client database that removes duplication of data input and the overhead/inconsistency

	associated with holding data in more than one place. Key developments such as CSF are being tendered with this principle in mind.
21. Corporate regulations to include corporate purchasing of hardware and software and enforce.	This is now largely in place. All IT managers aware and purchasing being carried out by central purchasing group.
22. Establish an advocate/ resource for ICT and information management on SMB – to ensure inclusion in strategic thinking/management of the authority.	In place. Andrew Robertson currently holds the ICT brief and Charlie Watson is leading on Information Task Force.
23. Introduce control / co-ordination of end user developments to encourage innovation while avoiding duplication.	IT managers aware. Need to spread awareness to all staff via ICT awareness program.
24. Leadership to define and document roles and responsibilities of various areas / individuals clearly.	Roles have been drafted and are being discussed / agreed at SMB.
25. Collate and index existing information sets, i.e. DPA / Y2K / Application list from departments. Build information map and flow.	Work underway building on an earlier map put together by IT managers.
26. Good practice to be shared via various forums (including an ‘Ideas’ box on Connex). Practices to be proactively identified and evaluated.	Raised with officer responsible for Connex – looking to port over the Web based noticeboard into Connex.
27. Roll out Corporate Services ‘awareness for managers / e-business’ sessions.	Raised with ICT awareness co-ordinator for inclusion in future programs.
28. Invite suppliers to tell us what they have to offer.	This work was initiated in the information gathering exercise for Hypo 1. At that time we spoke to Capita, Hyder and ITNet. We are also in conversation with Oracle.
29. Develop a consistent authority wide process for evaluating ICT training benefits to individual and the business.	No progress – needs to be worked up by Corporate Personnel – flows from training hypotheses.
30. Involve trainers in all system development planning.	All IT managers aware. Developments such as CSF are following this route.
31. Change standard specification to include sound cards and DVD.	This requirement was fed into the recent re-tender of the DELL contract.

APPENDIX 3.

ACKNOWLEDGEMENTS

Project Team

Stuart Campbell (Lead Officer), Heather Russell (Project Manager), Karen Noble (Project Manager), Paul Dudley, Mark Jordan, Dave Mansfield, Jim Ewers, Gary Brooks, Clare Carpenter

Wider Reference Group

Chris McCloskey, Carole Grimwood, Sarah Pickup, John Alleyne, Andrew Robertson, Steve Seaber, Jim Wallace, Terry Fox, Peter Maguire, Maggie Gray

External Consultants

Martin Boyle (Hedra Consultancy), Miranda Smythe (Baikie-Wood Consultancy)

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APPENDIX 4.

Action Timetable

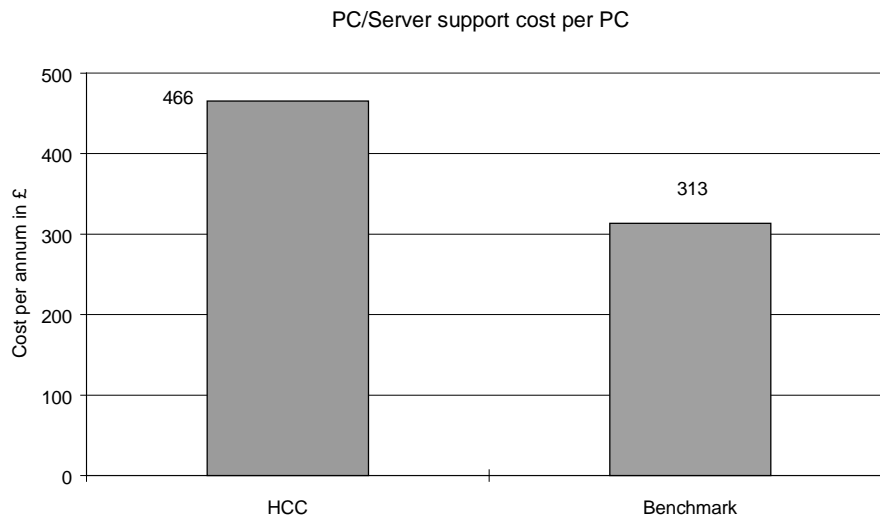
Hypo	Ref	Action	Time - by end
1	3.1.1 & 3.1.2	Draw up specification and outputs (inc support management information)for support and helpdesk contracts and determine monitoring arrangements	March 2001
1	3.1.1	Tender desktop support and desktop project work contracts. Go out to tender for helpdesk contract.	Summer 2001
1	3.1.4	Explore potential suppliers for helpdesk provision	Feb 2001
1	3.1.5	Determine rationalisation of helpdesk and support areas to look to free up resources	Spring 2001
1	3.1.6	Move away from in-house development activity	2000-2003
2	3.2.2 & 3.2.3	Identify the resources needed for IS/BSA roles in departments and in corporate services and analyse potential efficiency gains from ICT directions	February 2001
2	3.2.2	Determine level of resources needed for IS function in depts : client management, project management and sponsorship and specific system training	Feb 2001
2	3.2.2	Audit competencies of ICT and IMS staff	April 2001
2	3.2.2 & 3.2.3	Recruit, communicate and implement BSA roles in departments and in Corporate Services	Sept 2001 – March 2003
2	3.2.4	Ensure ICT is addressed in all service planning by inclusion in service planning guidelines	Spring 2001
2	3.2.5	Director of CI to be responsible for ICT infrastructure, IS and IM strategies	Dec 2000 onwards
2	3.2.6	Departments to produce annual bids for ICT/IS using business benefits approach	July 2001 +
2	3.2.7	Departmental strategies to support above to be produced on annual basis and reported quarterly to meeting of ADs with IS remits These to be reported to SMB/Cabinet	July 2001+
3	3.3.1.	Close liaison with asset management and other stakeholders to ensure ICT strategic plans to inform and be	yearly

Hypo	Ref	Action	Time - by end
	& 3.3.3	informed by asset management strategic plans	
3	3.3.2	ICT costs to be considered at early stage of all asset management reviews or rationalisation of existing sites	ongoing
4	3.4.1	Validate volumes, PIs, dept helpdesks etc	Feb 2001
4	3.4.1 & 3.1.4	Investigate costs of service with suppliers	see hypo 1
4	3.4.1	Determine info knowledge needed for specialist systems queries	Feb 2001
4	3.4.1	Research remote fixing (costs + implications)	Dec 2000
4	3.4.2	Set up superuser contact system for communication .	March 2001
4	3.4.2	Implement superuser system concurrent with revised support arrangements	Sept 2001
4	3.4.2	Monitor / review superuser system in light of support arrangements	Sept 2002
5	3.5.1	Refine existing HCC competency framework – map to ECDL	March 2001
5	3.5.2	Undertake baseline audit of staff skills to identify levels of training required and associated costs using ECDL	Sept 2001
5	3.5.3	Undertake baseline audit of ICT staff skills (and others requiring advanced ICT skills) using SFIA	Aug 2001
6	3.5.4	Establish (one-year) project team to initiate and implement recommendations and plan + identify ongoing co-ordination resource	February 2001-2
6	3.5.4	Establish corporate function / structure to implement / monitor ICT training. To be placed in Corporate Personnel moving agreed proportion of departmental training budgets. Specific system training to remain in depts , but co-ordinated and monitored centrally	April 2002
7	3.5.6	Undertake pilot study for computer based training on ECDL standard 3-6 months	Sept 2001
7	3.5.8	If pilot successful, designate training facilities in County Hall and other County training facilities for corporate use and develop computerised booking system	Oct 2001
7	3.5.10	Require separate coding of all ICT training expenditure to provide appropriate management information	April 2001+

APPENDIX 5.

PC / Server Support Costs

The following chart relates the annual personnel cost (£1,876,000) to the number of desktop PCs supported (4030). The cost of PC / Server support at HCC is £466 per PC per annum, 49% above Hedra's upper quartile benchmark.



ICT Best Value Review

APPENDIX 6

Hypotheses Reports