

**REPORT OF GOVERNANCE AND RESOURCES SCRUTINY COMMISSION**

<b>REVIEW OF ICT</b>	<b>Classification</b> <b>Public</b>	<b>Enclosures</b>
	<b>Ward(s) affected</b> <b>All</b>	<b>ICT Consultants reports;</b> i) SOCTIM Review of (ICT) Strategy ii) Benchmarking Report

**1. FOREWORD BY THE CHAIR OF THE GOVERNANCE AND RESOURCES SCRUTINY COMMISSION: COUNCILLOR ROB CHAPMAN**

The effective use of Information and Computer Technology lays at the heart of the way that modern local government works and communicates with its stakeholders. While there are still too many residents in Hackney who do not have full access to ICT, it is becoming an increasingly important way in which we conduct many areas of our business.

The Governance & Resources Scrutiny Commission undertook this review in the light of a recent ICT Strategy paper, and while Hackney is still developing and implementing many changes in the way that it works and thinks. These changes will have, in turn, substantial implications for the way that ICT is viewed and used. The Commission was impressed with the approach of ICT in beginning to meet these challenges; we believe that the strategy and plan adopted will bring improvements in ICT. Many of the initiatives leading to major long term organisational change are at an early stage. While early work is encouraging, the Scrutiny Review must in principle leave answering the question as to what will be the scale of ICT's contribution to facilitating long term major change as a "work in progress", which may be explored when the evidence base is firmer. We have at this stage made recommendations about the balance between "central" and "local" management of ICT services, the further integration of ICT planning into larger organisational plans, and the integration of ICT across partner organisation.

We also looked at a number of areas where issues have been raised, including the council website, and noted proposals for improvement, and made recommendations. We remain concerned about accessibility of systems to outside users, and have made recommendations for further investigation into how this may be overcome.

In view of the fact that many changes are at an early stage, we have taken the opportunity to conclude this review with a "Member Challenge" event to be held at the Governance & Resources Commission on 13 March when questions can be put to lead officers and the Cabinet member, on the conclusions of this report, and the future of ICT in Hackney.

We offer our thanks to the Head of ICT, all the other officers and LB Hillingdon, who were all very helpful and co-operative in enabling us to conduct this review.

## 2. INTRODUCTION

- 2.1 The request for a scrutiny review of this area emerged from discussions between Scrutiny Councillors, Officers and members of the Executive at the 2006 Overview and Scrutiny Work Programme Conference and is the first time that scrutiny in Hackney has actively considered aspects of ICT.

A review of this important supporting and enabling function of the Council has allowed the Governance and Resources Scrutiny Commission to consider how the ICT function and its strategy underpin Council Directorates and support partnership working and the effective delivery of services. In addition such work is considering to the following Mayoral priorities;

- **The Mayor's Priority 1:** 'Improving services and increasing opportunities for all, raising the life chances of the most disadvantaged'
- **The Mayor's Priority 2:** 'Making sure the council is high performing and efficient'

- 2.2 The role of the ICT is by no means straightforward an enabler of specific projects but also the provider of core day to day infrastructure. The current ICT strategy is due to be reviewed in 2007 and represents an effort at its time of writing to capture the then current position within LBH and to establish a platform from which to consolidate and launch a number of substantial work-streams that when fully implemented should alter the way in which ICT operates within the Borough.

Whilst the good use of ICT does have a direct impact on the community, this is generally achieved by others (e.g. Departments and Service Managers) driving initiatives for improvement that require new technology systems. The Councils ICT function then supports the implementation of new technology and, in the longer term maintains and operates the required systems.

Hence, the challenge for the modern local authority is to ensure that the investment and effort that are devoted to implementing new ICT systems and maintaining existing ones are correctly aligned with the council's community and corporate priorities. This is not always an easy task as Historically ICT has been seen as a support activity, providing the systems and physical infrastructure for efficient, high volume back office processing.

The very wide and increasing range of how technology can be used now requires a more imaginative view. Its use should be seen differently, driving innovation in service delivery. In the commercial world, the organisation that first exploits a new technology for the benefit of its customers wins a strategic advantage. In the public sector there are increasingly strong drivers to both meet community needs and improve measures of performance (internal and external).

2.3 **The Terms of reference for the Commission's investigation were (full terms of reference are appended to the report):**

To establish an understanding of the corporate ICT strategy and implications for Directorates including an assessment of its fitness and ability to support the delivery of services by the Council to its residents in an efficient and effective way.

This review will specifically consider;

- Fitness for purpose
- Value for money
- Community involvement
- Options for peer review
- Options for audit

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### 3. SUMMARY & RECOMMENDATIONS

#### **Recommendation one**

Throughout the course of its review the Commission become aware that the core ICT function has a relatively compact management structure and a correspondingly limited capacity for delivery. Such a situation can be seen to have been brought about by the devolved approach by which Hackney has chosen in the recent past to operate its ICT Provision. This structure has resulted in the establishment of a number of examples of Directorate based ICT provision and project driven ICT systems development. To some extent it may therefore be concluded that ICT has historically fulfilled the role of corporately rationalising devolved systems rather than that of a strategic commissioner of applications to deliver corporate priorities and developer of bespoke solutions

#### *Recommendation*

- a) In reviewing recent SOCTIM (Society of Information Technology Management) Benchmarking reports the Commission has become aware that LBH can be considered to have a high level of ICT related staff based in service areas and departments. The Commission recommends that the Assistant Director for ICT, with the co-operation and support of all Corporate Directors, undertake a review of existing staffing arrangements within LBH so as to ensure that IT resources have clear reporting lines and accountability to core ICT.

The Commission believes that core ICT should act as the Authority's principal agent in all areas relating to ICT. The Commission recognises that a role exists for ICT within directorates but that such a role will be best performed when clearly directed and co-ordinated by core ICT. The Commission recommends that the Hackney Management Team endorse such an approach.

- b) In order to ensure core ICT increasingly performs the role of being a strategic commissioner of applications to assist in the delivery of corporate priorities and developer of bespoke solutions the Commission recommends that ICT project planning be improved with a designated central resource identified allowing for project discipline to be maintained.

As such an approach is developed the corporate approach to business planning and revised project management disciplines should be considered and the potential for alignment maximised.

#### **Recommendation two**

ICT will always be critical to what the local authority aims to achieve however such a conclusion will rarely be more pertinent than over the next 5 years. The Commission believes that ICT has a particularly substantial role to play in the delivery of effective partnership arrangements, the children's agenda and all strands of the Service First initiative.

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- a) In order to ensure that the critical contributing factor of ICT to many of the current projects given a high priority in the borough the Commission believes that, when revised, the ICT Strategy could be enhanced if more explicitly aligned to corporate priorities so as to ensure the ICT component of such projects is supported, risks, identified, resources appropriately assigned and potential fully realised.
- b) Similarly the Commission believes the ICT Strategy could be strengthened if its key projects are re-classified to more clearly demonstrate when the delivery of an ICT project contributes to a variety of projects so as to ensure that any risks are clearly identified and may be appropriately managed.
- c) Members believe that the ICT strategy would be more widely accessible and easier to track if ICT Projects listed and contained within strategy are clearly shown overtime

### **Recommendation three**

In view of the of the high level of importance placed upon the delivery effective public services within Hackney and the common agreement that partnership arrangements are the means by which to achieve this the Commission believes that all statutory partners within the borough should aspire to the use of systems which can interact or be integrated with a view to, overtime, creating a shared infrastructure.

### *Recommendation*

- a) The Commission believes that the Team Hackney Board would benefit from considering how ICT may support the delivery of its objectives on an at least an annual basis. The Commission therefore make this recommendation to the Mayor as Chair of Team Hackney.
- b) The Commission believes that the realisation of ICT's critical role in supporting the delivery of a number of organisations shared objectives may be better supported through the requirement that reports considered by sub-partnerships boards of Team Hackney include the need to make known any ICT considerations and requirements.
- c) The Commission proposes to write to the Chief Executives (or appropriately titled individual) of each of the Team Hackney statutory agencies to request that each designated ICT lead meet on a quarterly basis so as to support the development of shared agenda and in order to better disseminate shared experiences and/or learning.

### **Recommendation four**

The Commission is aware that both Members and staff have, in recent years, anecdotally experienced a number of difficulties in realising an optimum level of ICT service delivery. The Commission became aware during the course of its investigation that a new contract for ICT Service Management has been let.

Members believe that the specification contained within this contract should deliver a number of significant improvements.

The Commission was also encouraged to hear that over the 2006-7 period improvements in the service provided by the existing LBH contact were realised through more effective trouble shooting and enhanced contract management.

*Recommendation*

The Commission wishes to encourage the adoption of the new ICT Service Management Contract but requests it be assured that adequate resources for contract management are identified and to be provided with an update on the performance of the contract one year after its application.

The Commission believes that resources during the transition phase toward provision via the new contract will be particularly critical and recommends that the Deputy Mayor satisfy himself that these will be adequate ensuring that any service interruptions are kept to a minimum.

**Recommendation five**

The Commission recognises that LBH currently have a website ranked externally as having a Content Plus site defined as providing "...very useful content and [offer] some examples of more advanced on-line self-service features". And have been made aware that the website fulfils "external" Government requirements via links to Direct Gov and Local Direct Gov (Service Take-Up campaign) and Your London. Whilst recognising common structure and logical interlinking across public services is a commendable long term objective, Members remain unclear that the information contained on the website is presented in the most accessible way, or that it's content is always as comprehensive and appropriate as is needed for all levels of user. For example presently incomplete departmental or service listings may be better organised along the lines of the Council's soon to be republished A-Z of services.

*Recommendation*

Members wish to be advised over what timescales and how such a 'practical application' refresh of the LBH website may be undertaken so as to ensure continuity of message with residents across all communication channels.

The Commission expects that elected Members and non ICT or Communication based staff should be consulted as part of a users forum, also including residents, about functionality and structure during the design and build phases of such a refreshed website and prior to its launch.

**Recommendation six**

Members believe that the website currently contains a great deal of information about LB Hackney, its services, strategies, plans and decisions – such an information repository should be made as accessible as possible (*Recommendation one*) however a website's structure is just one part of making information truly accessible. The Commission remains unconvinced that the

current search function of the website helps to support and deliver against such objectives.

*Recommendation*

Members wish to be advised how and over what timescales the search functionality of the LBH website may be improved so as to more effectively realise the potential of the information contained on the website now and in the future.

**Recommendation seven**

The Commission considered the arguments around Open- Source Software during its review and were advised of a number of significant financial and business requirements for the authority's current ways of working.

The Commission recommends the Assistant Directors for Communications and ICT conduct a review of the Borough's current website and ensure that facilities are made available which will support universal access to documents contained on the LBH Website – such as the provision of links to free Microsoft Word and Excel readers. The overriding objective should be that all documents on the website are accessible to all users of the LBH website.

**Recommendation eight**

Members noted the initiatives, such as the provision of facilities in libraries, which were being put into place to address the unusually low level of access that Hackney's residents have to ICT. There is, however, a concern that as ICT becomes an increasingly important, and even eventually the prime, way in which the Council serves and communicates with residents, some people become disadvantaged in relation to residents with better access, or even excluded. The Governance and Resources Commission wishes to know more on the likely extent of this problem, particularly in the light of developments in the future, and how it can be addressed.

*Recommendation*

The Commission receives a report from the Head of ICT &/or Head of Communications on the issue of "exclusion", and how this is to be addressed, particularly in the context of future developments in ICT. This report is requested for November 2007.

#### **4. FINANCIAL CONSIDERATIONS**

- 4.1 Some of the the recommendations within the report are likely to have a financial impact if implemented, such as developments of the website search facilities which may require additional resources. In implementing any of the recommendations the Council will need to work within the resources allocated to the relevant services and remain within the overall cash limit, capital programme or other external funding sources that may be available, this may include making proposals as part of the annual budget setting process for additional funding.
- 4.2 Prior to implementation of specific recommendations a detailed financial assessment will be necessary to identify the impact and the necessary approval and procurement processes would need to be followed.

#### **5. COMMENTS OF THE MONITORING OFFICER**

There are no legal or propriety issues in respect of the recommendations in this report.

## 6. FINDINGS

### 6.1 *ICT in Local Government*

From the outset of its review Members of the Commission were conscious of the perception that ICT, whilst very important to the way in which business in the Borough is undertaken, represented an area where some additional understanding may be required in order to come to a position where useful and constructive conclusions might be reached. In order to reach such a position the Commission appointed an external consultant to support them in their work who would review Hackney's position in respect of ICT specifically reviewing the extent to which the current ICT strategy supports the delivery of the mayoral priorities and communication between the Borough and its residents. The Commission was also provided with a briefing by their appointed consultant who detailed the role of ICT in local government as follows;

#### 6.1.1 ICT Development

ICT was originally developed for carrying out high volume, numerical calculations quickly and was traditionally associated with financial management. Today, ICT holds and processes information of many types, such as text records and graphics (e.g. maps, images of documents) and can therefore contribute too many more useful tasks, at speeds that cannot be equalled by manual effort.

In the past, technology has frequently been introduced because a particular system has become available on the market. This has resulted in limited or no benefits being achieved. Today we are fortunate in that there is a wide range of systems available, for many purposes. In most instances, systems that are to be considered by the Council will have been tried and tested by other organisations.

Local authorities face a particular challenge when introducing ICT, because of the wide range of and diversity of services they provide. As many different types of system are required to e-enable all services. Generally private sector organisations have a narrower and more focused range of services, so do not require so many systems and therefore have an easier task.

Modern use of information and communications technology can impact beneficially on Council services. For instance, improving customer services, sharing information between organisations, mobile working, e-procurement – the range of options is very wide and increasing every day. Hence, the importance of ensuring that investment is correctly aligned to policy priorities.

In adopting more ICT the modern local authority may have to take into account the technology infrastructure in its area and the capabilities of its citizens / communities. In some extreme instances, this may prompt action by the authority to improve the public technology infrastructure or develop the skills of its citizens. More likely in developed communities is that the authority recognises that some technology solutions may be specifically designed and targeted to provide information or services to hard to reach groups.

### 6.1.2 Relationship of ICT with Customer Services

Discussions about ICT in the modern world are very often focused on the internet and associated with those who have their own computers. This can create the impression that new customer facing systems are being introduced for the benefit of those who are well placed in society. The reality is that much of the ICT effort and investment to enable the public to access services over the World Wide Web also enables improved service access and delivery via telephone contact centres or face to face in one stop shops. The web is just another channel for the public to use, if they prefer it.

Whilst it will take time for the many citizens to take up the web access facilities that the local authority may offer, there are substantial benefits for the authority to encourage such use. The relative costs of a sample transaction from some accepted research are:

- Face to face £5.00
- Letter £2.50.
- Telephone £0.55
- Internet £0.30

The local authority should always offer service access to meet the current preferences of its citizens, but there are clear advantages in promoting the web option and being ready for when citizens naturally move to web access.

The citizens' expectations of their local authority are to a large extent influenced by their relationship with organisations in general. Increasingly the expectation is for information or service on demand, whether the contact with the organisation is face to face, by telephone or via the internet. As new channels become more popular with the citizen, organisations have to be prepared. The rate at which a new technology channel is taken up is not gradual. Consider the growth rate in the use of mobile phones and the rapidly gained skills of citizens in "texting."

It is a long term ambition of local authorities developing their e-government systems to achieve a "single view of the customer." This requires breaking down departmental silos and integration of systems that in many cases have been acquired for specific services. The most frequently stated benefit of achieving this single view will be that customers can obtain a number of services from the same contact point / channel. This approach will also provide opportunities for the local authority to be proactive, to promote new services / initiatives to those customers who have similar service usage profiles.

### 6.1.3 Back Office and Other Issues

Either arising from customer service initiatives, or because of other drivers, local authorities have to improve their capabilities to maintain and operate their computer systems. As the authority and its customers become more dependent on technology systems the consequences of a failure are more serious. Generally it is necessary to build in more capacity, to accommodate peak loads and more resilience to ensure that minor failures do not deny customers information and access to services, or prevent council staff from working.

New technologies suitably adapted for business purposes provide great opportunities. However, necessary changes may affect manual processes and other working practices. The organisation therefore has to be prepared to embrace innovation and change, not just introduce technology to automate current services. For instance, mobile working offers many opportunities for new approaches to service provision, but all the implications have to be considered. The management of staff and their workload will also require consideration if they will not be in the office so frequently.

Information sharing between organisations is a growing requirement. A pressing need for local government is information sharing for specific services. Current requirements, in general terms are services for the elderly (social service and health); children's services (education, social care, health and other bodies); community security (housing, police etc). There is a need to adopt a pragmatic approach as the chances of the different agencies having systems that will "talk to each other" are very remote. Whilst this is another challenge for the local authority, only technology can make large scale information sharing practical. The alternative of ad hoc contacts by telephone and fax machines would add a staff workload that would be beyond the reasonable resources of a local authority and would probably not be as effective.

## 6.2 *Current Strategy*

As indicated in the introduction to this report the Commission views this scrutiny as forming a key part of its oversight role, reviewing the current ICT strategy and considering how it might be enhanced and challenging current performance so as to result in the adoption of a more rigorous and refreshed corporate ICT strategy (already scheduled for 2007) rather than conducting an in depth policy review into an area where the Council may have no already existent or an incomplete strategy and/or policy.

The current LBH ICT strategy is a high level review of the community's and the Council's needs (from existing policy and service statements) and the identification of changes to better meet such needs. The Strategy also includes a medium term plan that relates future investment and effort to the Council's priorities, thereby ensuring both corporate commitment and the best use of resources.

6.2.1 The current ICT Strategy was approved by Cabinet on 27<sup>th</sup> February 2006 and sets a direction of travel for the ICT function across the Council (whether delivered from the Corporate ICT function, or teams in Directorates). Members heard during the course of their review that it in essence sets out:

- Introduction – Why do we need an ICT Strategy?
- Where the ICT Strategy fits in relation to local and central priorities
- Where we are now – our baseline from which we will measure progress
- Where we want to be – our vision of how ICT will support the organisation in serving our community
- Some key principles for moving forward – standards that we will follow or apply

- How will we get there – what we have to do “technologically” to achieve our vision. Based on the Socitm<sup>1</sup> planning framework this addresses the “How do you eat an elephant?” question by dividing “ICT” into smaller pieces using common terminology.
- Investment Strategy – sets out areas that we will need to address, for example VFM and ROI when implementing the strategy
- Time Plan – high level plan, with expected outcomes for Council and Community
- Governance, Management & Resources – how delivery of the strategy will be monitored
- Communications – table showing the various stakeholders and how we will communicate matters about the strategy

### 6.3 *Hackney’s position*

Members heard how the Borough’s current ICT Strategy was prepared by the Assistant Director ICT (Christine Peacock) shortly after commencing her role. It was published in February 2006 and is accepted as an appropriate document for the authority at that time as it sets the direction of travel for the service. At the time (2005) the strategy was being compiled Members were advised that it was accepted that IT function at Hackney had previously not been managed consistently and there was a need to review how well it was meeting community and corporate needs and instil improved governance standards.

Members were advised by their appointed consultant that the current ICT structure broadly sets out both;

- Initial (but considered) thoughts on meeting Council service requirements and known plans.
- Proposals to improve governance arrangements for the operation and security of ICT.

Members were advised that such a position has been reached within a context where, over the past ten years, the London Borough of Hackney has responded to a number of significant challenges management, service and financial matters. Such issues have been managed in tandem with a wide diversity of business objectives, services and processes and a corresponding diversity in ICT and ICT systems.

Each Directorate within the Council has played an important part in meeting overall Council objectives as well as local service targets. From an ICT perspective, major contributions have been made through provision of up-to-date business applications and hardware together with a fast and improving infrastructure.

### 6.3.1 SOCTIM Benchmarking Data

During the course of its investigation the Commission became aware that LBH is one of 18 (from 33) London Boroughs that participates in an annual benchmarking activity. The Commission commends LBH participation in such activities – the Commission requested access be given to the reports from 2005 and 2006. The Commission requested that its appointed consultant undertake some analysis of the results of these benchmarking exercises (the results of which are appended to this report).

#### 6.3.1.1 The Commission considered the conclusions of one such benchmarking exercise, which indicated that the centralisation of ICT was preferable; as follows

An analysis of the data shows that councils with highly centralised ICT structures;

- Employ 13% less staff
- Spend less on ICT in nearly all areas
- Achieve 7% higher levels of user satisfaction (4.68 out of 7 compared with 4.36)
- Record lower installation and procurement cost per PC
- Record lower cost of capital, support and cost of calls for voice connections
- Record lower cost of support for data connections
- Record lower support cost per workstation
- Have greater access to ICT for employees

But they did less well with Resolution of operational problems (81% compared with 91%)

Moreover, only 10% of all the 80 councils benchmarked in 2003 have highly devolved ICT units and, in fact, there is an increasing trend toward centralisation of ICT. In 2002 when 12 London boroughs participated, they all had independent local ICT units. Just 12 months later, 17 boroughs participated, of which 6 were completely centralised and the remaining 11 had significantly fewer local ICT units, with only 3 independent local ICT units in the whole group.

#### 6.3.1.2 In reviewing the 2005 and 2006 benchmarking reports (LBH specific) the Commission was advised of the following conclusions from its consultant;

Hackney tends towards the higher spending end of the comparisons in most cases. However, the spending may be for a purpose. For, instance over the relevant years the Authority has begun to catch up with the use of IT and the development of e-government. This may involve both investment in business areas for new systems and investment in modern and improved infrastructure.

The IT Manager has comparatively recently renegotiated the Council's outsourcing contract and any benefits from that renegotiation has to feed through, in the current period. The Authority also appears to have improved its access to external funding over the period 2005 / 2006

The increase in spending between 2006 and 2007 was not unique to Hackney and the authors of the Benchmarking report have suggested that the Authorities with significant increases were catching up.

Numbers of ICT Specialists Employing Service shows that the median for the entire benchmarking group increased from 88 to 91. In the Hackney data, whilst Corporate IT has increased slightly, the “Departmental IT” in the 2005 data, which is called “Service IT” in the 2006 figures, doubled. Members were reminded by their consultant to apply a note of caution in this respect, as it may be that the method of counting varied over the years, but on the face of the data, the higher staff numbers and higher costs at Hackney are more attributable to IT staff employed in service areas, rather corporate IT.

Whilst it is the view of the Consultant, that the Council is catching up with the use of IT systems for both internal and customer-facing purposes, the Commission is mindful of the need to monitor spending in service areas on IT related personnel. There may be individuals in service areas that will have long term responsibilities related to the management of systems (e.g. system administrators); in the longer term there should be clear definition of responsibilities to ensure that staff numbers are fully justified / utilised.

The current roles and utilisation of staff would need a detailed examination and the roles of those deployed on IT in service areas examined very carefully. If and where they are involved in introducing new systems their deployment should be closely tied to the needs of the particular projects, the resourcing of which should be carefully planned.

The Commission remains conscious that the centralisation of IT resources does not mean that individuals cannot be deployed to service areas as their normal base. The benefits to the Authority of this approach would be a trained workforce, kept up to date by training and knowledge from the corporate IT service, but combined with efficient deployment to the areas of most need in the Council.

6.3.2 The Commission was advised by its appointed consultant that any review of ICT provision within LB Hackney needed to take into account two key points;

- The Authority is heavily committed to achieving benefits in the community through partnership. This was judged to be a well thought out approach, but as the use of ICT is likely to be an increasingly key element in providing information and services, the introduction of new systems and their subsequent operation has to be considered in the partnership (i.e. across organisations) context, not just within the Council.
- The style of providing ICT in the Authority is on a devolved basis. There is corporate provision of the main configuration, processing facilities and governance requirements, but the development and management of specific applications is undertaken in Directorates and service areas. Also, much of the corporate provision of systems is outsourced.

6.3.3 Partnership Working and the ICT Strategy

If the Mayor’s Priorities and Community Strategy Outcomes are to be achieved by partnership, it follows that information management and ICT systems are considered within such a context.

The flow and sharing of information will initially enable efficient communications between the organisations, but as joint service provision becomes a reality, it is essential that the sharing of systems and information becomes part of the combined operation, because use of ICT needs to be:

- Customer centric, not organisationally centric – where the information or service is accessed by the customer, they should not be impeded by traditional organisational boundaries.
- Efficient – where front-line staff of the Council and other agencies have to work closely together, the systems in use should enable this cooperation to take place smoothly and efficiently; breaking off to make additional telephone calls, or operate fax machines to achieve the required level of cooperation will be extra work.

Information management needs to be prominent on the agenda at the highest level of those who are planning and managing the partnerships. If this does not happen, there is a danger that partners will not proceed at the same rate in delivering systems and technology jointly, as commitments to partnership working will be overridden by day to day priorities within their respective organisations.

The Commission was advised that the Council's ICT Strategy should begin to reflect the commitment to joint working. It will be appropriate to refer to key initiatives that are to be introduced and managed by other organisations, where they create a "dependency," without which priorities and outcomes cannot be achieved. However the Commission believes that a number steps could helpfully be implemented to first achieve the necessary levels of awareness and discussion of such matters before their full potential may be realised;

#### 6.3.4 Closer Relationship with Priorities

The Commission was advised that there may be a danger in any organisation that investment in information technology can be channelled to achieve current technical objectives, rather than what best meets the organisations priorities and service requirements.

There is an opportunity to improve alignment at Hackney by relating ICT plans and initiatives identified in the ICT Strategy more closely with specific priorities. For example, the relationship with the Service First – Single Front Office strategy is fundamental since ICT is key to the development of a joined-up front office, enabled by integrated back-office systems. In short the ICT Strategy needs to constantly show where it underpins the business needs of the organisation, while at the same time helping to supporting a more efficient and technologically advanced future organisation.

#### 6.3.5 Process Improvement / Change Management

During the course of its review Members became aware that information technology offers organisations and society opportunities to transform how information and services are delivered. Organisations do not have to be confined by traditional approaches and can think afresh about what is the ultimate objective of a service and how that objective can now be achieved with the help of text messaging, mobile working or other appropriate technology.

To maximise such opportunities there is a requirement to think beyond the technology system and consider the surrounding business processes. This is a fairly widespread issue in local government, not least because existing processes are not necessarily documented comprehensively.

The examination of the complete business process needs resourcing and there should be corporate standards for challenging the status quo and re-engineering for improvement.

The implementation of business change will need project management, within an overall plan that also includes the introduction of new technology systems. The entire change management requirement will need leadership.

### 6.3.6 ICT Programme Presentation

The current ICT Strategy contains a programme of future development in tabular form, currently categorising the individual projects according to ICT “Building Blocks” and listing the outcomes. The individual developments are shown in the year that they are planned, during the next three years.

### 6.3.7 **Recommendations**

#### **Recommendation one**

Throughout the course of its review the Commission become aware that the core ICT function has a relatively compact management structure and a correspondingly limited capacity for delivery. Such a situation can be seen to have been brought about by the devolved approach by which Hackney has chosen in the recent past to operate its ICT Provision. This structure has resulted in the establishment of a number of examples of Directorate based ICT provision and project driven ICT systems development. To some extent it may therefore be concluded that ICT has historically fulfilled the role of corporately rationalising devolved systems rather than that of a strategic commissioner of applications to deliver corporate priorities and developer of bespoke solutions

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- c) Members believe that the ICT strategy would be more widely accessible and easier to track if ICT Projects listed and contained within strategy are clearly shown overtime

## **Recommendation three**

In view of the of the high level of importance placed upon the delivery effective public services within Hackney and the common agreement that partnership arrangements are the means by which to achieve this the Commission believes that all statutory partners within the borough should aspire to the use of systems which can interact or be integrated with a view to, overtime, creating a shared infrastructure.

### *Recommendation*

- a) The Commission believes that the Team Hackney Board would benefit from considering how ICT may support the delivery of its objectives on an at least an annual basis. The Commission therefore make this recommendation to the Mayor as Chair of Team Hackney.
- b) The Commission believes that the realisation of ICT's critical role in supporting the delivery of a number of organisations shared objectives may be better supported through the requirement that reports considered by sub-partnerships

boards of Team Hackney include the need to make known any ICT considerations and requirements.

- c) The Commission proposes to write to the Chief Executives (or appropriately titled individual) of each of the Team Hackney statutory agencies to request that each designated ICT lead meet on a quarterly basis so as to support the development of shared agenda and in order to better disseminate shared experiences and/or learning.

#### **6.4 Service Management**

Members became aware during the course of their review that LB Hackney provided ICT via a largely outsourced ICT operation. Hackney originally outsourced delivery of the ICT infrastructure in 2000 and this contract was due to expire in December 2005. By June 2005 the Council was undertaking a review of its ICT strategy and structure and this, coupled with wider organisational changes in management, had effectively delayed activities to such a degree that the only viable option for ICT support services was to look for a further outsourced solution.

LBH Cabinet approved the award of contract in November 2006, as a result of which the project has moved into its Transition phase as the new service provider, Sungard-Vivista (Sungard), gets ready to take over services from Northgate Information Systems (NIS). Members were made aware of detailed arrangements for the management of such contract transition and of the envisaged arrangements for on-going contract management.

The new contract proposes an extension of support to all of the following areas;

- Service Desk: telephone, email, fax & web based fault reporting
- First line fix for anything that can be fixed remotely
- Desktop System Support
- Mobile Support
- Email Monitoring Service
- Email Support
- Server Support
- Network Support
- Gold User Support

#### **6.4.2 Recommendations**

##### **Recommendation four**

The Commission is aware that both Members and staff have, in recent years, anecdotally experienced a number of difficulties in realising an optimum level of ICT service delivery. The Commission became aware during the course of its investigation that a new contract for ICT Service Management has been let. Members believe that the specification contained within this contract should deliver a number of significant improvements.

The Commission was also encouraged to hear that over the 2006-7 period improvements in the service provided by the existing LBH contact were realised through more effective trouble shooting and enhanced contract management.

#### *Recommendation*

The Commission wishes to encourage the adoption of the new ICT Service Management Contract but requests it be assured that adequate resources for contract management are identified and to be provided with an update on the performance of the contract one year after its application.

The Commission believes that resources during the transition phase toward provision via the new contract will be particularly critical and recommends that the Deputy Mayor satisfy himself that these will be adequate ensuring that any service interruptions are kept to a minimum.

### 6.5 *Website*

Members of the Governance and Resources Scrutiny Commission have all used the LBH website and have been exposed to the views of their fellow Members and residents about the perceived benefits and detractions of the current service provided. The Commission have also considered information relating to the website extrapolated from the MORI survey and with the support of the Consultation Team sought the views of all elected Members and also Members of the using the LBH website during November 2006. During the course of its review Members heard how the website is the Council's shop window on the internet – providing information on Hackney the place, and the services that the Council and its partners deliver to our residents and visitors.

The website is a channel for communication with those same residents and visitors, through surveys, competitions and feedback forms. It may also be used as a delivery channel in its own right, providing such services as the payment of monies owed (parking fines, Council Tax etc), the reservation of library books, requests for bulky waste collections and reporting of abandoned vehicles.

In addition the website also fulfils "external" Government requirements via links to Direct Gov and Local Direct Gov (Service Take-Up campaign) and Your London.

- 6.5.1 The website contains approximately 2400 pages of information. Responsibility for its delivery is jointly shared between the Assistant Director - Corporate ICT and the Assistant Director – Communications & Consultation. The AD – Corporate ICT being responsible for the technical delivery and performance of the website and the AD – Communications and Consultation for its "look and feel". However it is understood that a significant number of officers have now been trained across the organisation to use the LBH content management system, Obtree, enabling them to take ownership of content for the areas in which they work.
- 6.5.2 As Members we were advised that increasingly well performing websites are felt to be those that ensure website arrive at sought-after information in just 3 click results (LGNL)

Known issues with the LBH website as relayed to the Commission included the following areas;

- Navigation
- Performance
- Search
- Style and Content

6.5.3 A number of projects are planned for the immediate future including an Obtree upgrade and integration work for Modern.Gov, the new Committee Management system.

Members heard that the vision of an effective and efficient LBH website would include;

- Olympics & Paralympics -
- Media/newscentre -
- Visitor economy
- Partnership working
- Job zone
- e-government and Citizens' Panel
- archive

#### **6.5.4 Recommendations**

##### **Recommendation five**

The Commission recognises that LBH currently have a website ranked externally as having a Content Plus site defined as providing "...very useful content and [offer] some examples of more advanced on-line self-service features". And have been made aware that the website fulfils "external" Government requirements via links to Direct Gov and Local Direct Gov (Service Take-Up campaign) and Your London. Whilst recognising common structure and logical interlinking across public services is a commendable long term objective, Members remain unclear that the information contained on the website is presented in the most accessible way, or that it's content is always as comprehensive and appropriate as is needed for all levels of user. For example presently incomplete departmental or service listings may be better organised along the lines of the Council's soon be republished A-Z of services.

##### *Recommendation*

Members wish to be advised over what timescales and how such a 'practical application' refresh of the LBH website may be undertaken so as to ensure continuity of message with residents across all communication channels.

The Commission expects that elected Members and non ICT or Communication based staff should be consulted as part of a users forum, also including residents, about functionality and structure during the design and build phases of such a refreshed website and prior to its launch.

##### **Recommendation six**

Members believe that the website currently contains a great deal of information about LB Hackney, its services, strategies, plans and decisions – such an information repository should be made as accessible as possible (*Recommendation one*) however a website's structure is just one part of making information truly accessible. The Commission remains unconvinced that the current search function of the website helps to support and deliver against such objectives.

#### *Recommendation*

Members wish to be advised how and over what timescales the search functionality of the LBH website may be improved so as to more effectively realise the potential of the information contained on the website now and in the future.

### **Recommendation seven**

The Commission considered the arguments around Open- Source Software during its review and were advised of a number of significant financial and business requirements for the authority's current ways of working.

The Commission recommends the Assistant Directors for Communications and ICT conduct a review of the Borough's current website and ensure that facilities are made available which will support universal access to documents contained on the LBH Website – such as the provision of links to free Microsoft Word and Excel readers. The overriding objective should be that all documents on the website are accessible to all users of the LBH website.

#### **6.6** *New Ways of Working & home working*

The means by which the authority would respond to 'new ways of working' was included within this review's terms of reference. In receiving such information the Commission considered that this encompassed a number of different areas which included the promotion of home working, if appropriate, and how the authority could or should introduce flexible working practises, following the introduction of legislation in April 2003 it is required that employers consider flexible working for all employees with children under the age of 6 or disabled children under the age of 18. The effective adoption of systems to support such an approach would also assist with staff retention and meeting the needs of staff.

For LBH to support flexible working it enables staff to work at a time to suit the Council but at the same time empowers staff to become more flexible, because they are able to take control of their daily work schedule to fit in with their own life demands or aspirations. In turn, this increased flexibility is seen to increase loyalty and motivation and, potentially, to ease retention difficulties for the Council in areas where the required work output can be produced away from the formal office environment.

The Commission is mindful that such organisational aspirations not only need to be supported by ICT systems but could in all likelihood not be realised without the delivery of effective and efficient ICT.

##### **6.6.1** The Commission heard that a number of flexible options can be introduced by organisations to promote new ways of working. Hackney have already adopted

some of the more common ones such as flexi-time and job sharing but other opportunities are:

- **Term-time working:** An officer remains on a permanent contract but can take paid/unpaid leave during school holidays.
- **Compressed hours:** Compresses the full time working week into longer working days to give a shorter working week.
- **Annual hours:** The period within which full-time employees must work is defined over a whole year.
- **Working from home on a regular basis:** Workers working from home on a part time or full time basis.
- **Mobile working:** This permits employees to work all or part of their working week away from the office.
- **Career breaks:** Career breaks, or sabbaticals, are extended periods of leave – normally unpaid – of up to five years or more.

6.6.2 The Commission heard that an example of the authority's commitment to exploring the potential of new ways of working included the introduction of hot-desking which has been introduced in order to decant 300 staff from Dorothy Hodgkin House to Richmond Road. This has involved the introduction of laptops and docking systems, voice-over-ip telephony and multi-functional devices (MFDs) for printing/scanning & photocopying.

To be successful such initiatives must be supported by appropriate tools and technology to support staff in a non-office environment. Making sure that staff can access the council network at anytime, can view Outlook when required or contact their colleagues or customers by telephone.

The Commission also heard of a home-working trail being conducted within the Revenues and Benefits Service which involved 15 staff and allowed for the provision of equipment and required support at home for individuals including access to appropriate systems with monitoring of systems capacity and output levels being reviewed.

During its review the Commission was advised of a number of early lessons learnt from such activities but whilst it is generally supportive of both the potential savings and efficiencies to be realised through such initiatives in addition to benefits for staff it is mindful that both remain trials and require fuller analysis before full conclusions may be reached and any endorsement for further expansion offered.

The Commission is also mindful that ICT is a supporting agent (albeit a critical one) of such activities rather than a lead agency and therefore feels that such matters as home working may be better explored under the guise of any proposed review relating to human resources.

## 6.7 *Open Source Software*

The Commission is aware of the principal reliance of the authority on Microsoft related products and that a number of alternatives exist, not least those termed under the bracket of open-source software.

In evidence received the Commission was advised that Wikipedia, the on-line encyclopedia defines Open Source as describing “the principles and methodologies to promote open access to the production and design process for various goods, products and resources. The term is most commonly applied to the source code of software that is made available to the general public with either relaxed or non-existent intellectual property restrictions. This allows users to create user-generated software content through either incremental individual effort, or collaboration”

The most generally known Open Source products are Linux, an Open Source version of the Unix operating system; and Star and Open Office which are Microsoft Office comparable office desktop products. It should be noted that these products are not free, although they are substantially cheaper at point-of-installation. Hackney currently has one Open Source installation used by Neighbourhoods & Regeneration to publish planning applications on-line.

Notwithstanding any tendering or procurements costs and considerations, taking the price per desktop quoted the Council would need to invest c£230K in order to replace Microsoft Office on all of its desktops. This figure does not include project management or installation costs. Further consideration would need to be given to the cost of maintenance and support arrangements – the Council has just awarded a 5-year Support Services contract which has been tendered and awarded on the basis that the new service provider would be supporting a Microsoft Office estate.

The Commission established that the Council’s policy is to buy-not-make business applications as this allows us to focus on our core business (the delivery of services to our residents and customers) and to take advantage of the economies of scale that buying from the marketplace brings with it. In many instances, our business application suppliers provide integration with Microsoft Office as standard. This is not to say that integration with other office products is not possible, but it would come at a premium.

Although there have been some Open Source implementations within local government, the Commission heard that to date this has largely centred on web applications. The Socitm Open Source Group (SOSS) reports on its website: “For many years the open source community have been championing the technical benefits of OSS and highlighting the reduced costs of obtaining such products. It is well known that OSS products can be acquired for less money than the proprietary equivalents but there are other factors to consider. When the adoption of OSS into mainstream business has been proposed the take-up has been disappointing and this has mainly been due to a lack of consideration of the business drivers that influence organisations. In particular, the adoption by the public sector has to address the issues of the use of public money and the democratic decision making process”

## 6.8 *Social Inclusion*

The Commission noted what has been termed the “Digital divide”, and the low levels of access that many Hackney residents had to PC equipment and connections, A number of initiatives to address this were noted, for example the provision of equipment in libraries. The Commission was encouraged by these but noted that there was a danger that as service provision through ICT became more and more commonly the primary way in which services were delivered, the problem would be exacerbated. The Commission wishes to know how the Council plans to address the issue in future.

### **6.8.1 Recommendations**

#### **Recommendation eight**

Members noted the initiatives, such as the provision of facilities in libraries, which were being put into place to address the unusually low level of access that Hackney’s residents have to ICT. There is, however, a concern that as ICT becomes an increasingly important, and even eventually the prime, way in which the Council serves and communicates with residents, some people become disadvantaged in relation to residents with better access, or even excluded. The Governance and Resources Commission wishes to know more on the likely extent of this problem, particularly in the light of developments in the future, and how it can be addressed.

#### *Recommendation*

The Commission receives a report from the Head of ICT &/or Head of Communications on the issue of “inclusion”, and how this is to be addressed, particularly in the context of future developments in ICT. This report is requested for November 2007.

### **6.9 Member visits**

The Governance and Resources Scrutiny Commission was referred to LB Hillingdon by its consultant following a request for identification of possible peer visits. LB Hillingdon is considered to be relatively advanced in the use and application of an innovative ICT strategy that utilised a wide range of technologies.

As a result of such a recommendation and of LB Hillingdon’s preparedness to host a member visit this was arranged during the month of February.

During the visit three key issues were highlighted to Members as important areas to consider in relation to Local Government ICT provision;

- ICT technology and infrastructure
- What adds value to the customer experience
- How to deliver integration of front office channels

ICT within Hillingdon is managed as part of the same division as that responsible for customer service and therefore the contact centre.

LB Hillingdon approached the increased used of technology and required investment in a phased approach which started circa 2000 following the recognition

that substantial investment (£1.3/1.4m) would be required to get the local authority's infrastructure to an industry standard for both telephony and data. At the time this decision was taken the borough operated a number of separate networks, without appropriate cabling etc being available.

The borough reviews its ICT strategy on approximately a two year basis. After seven years it is believed that this process results in the strategy being integrated with other plans across the authority and forms a real part of corporate planning.

The borough is active within pan-London work and particularly within a west London local government grouping that has recently sought to use spare capacity in the ICT infrastructure used by schools to support the creation of a shared cross borough infrastructure that it is hoped may eventually result in the creation of a self supporting pan London L.A telephone system and supportive server system.

Customer segmentation has been undertaken and approaches developed to target specific sections of the community for example use of text messages for reaching young people with support of youth council and IdTV (organised along the lines of the authority's website – headlines and forms) for use amongst specific groups e.g the housebound and those who have suffered from domestic violence.

Local authority IdTV service is supported at a cost of £10k annually and is available via local satellite and cable companies. LB Hillingdon allows residents to request additional information that may be of interest to them from IdTV (pulling as opposed to pushing information to them). The majority of content relates to street scene and request for form information.

Monthly local authority glossy magazine published (Differing from 2 weekly newspaper style Hackney Today) including on-line version. Receives only £7k LB Hillingdon funding annually with use of discreet advertising and local business support.

Trials have taken place that have supported the increased use of technology through mobile provision, for example, by housing repairs inspectors remotely updating task lists and also within the adult social care setting which allows for the remote monitoring of a client's welfare. Technology has been used only in a limited way to promote democracy.

Reviewing use of space at the town hall has been undertaken and supported by ICT with approximately a 100% increase in space use since 200 having been realised. As a result of such activities land has been disposed of releasing capacity for ICT investment.

Remaining challenges relate to the continued roll-out of contact centre services to as yet uncovered service areas such as the planning service.

Telephony costs have been reduced in the borough with line rental costs a little as 50p pcm as a result of using the London Mobile Phone Consortium.

Members reviewed the LB Hillingdon contact centre and its working practices and the CRM system used which has capacity to record Member Enquiries.

## 6.10 *The Next Strategy*

In reviewing the existing ICT strategy the Commission is aware that a list of over 20 areas is published within it detailing where LBH needs to be in relation to ICT in order to effectively deliver services to its residents (their lack of replication within this report is deliberate).

This comprehensive list of objectives coupled with the extremely large volume of activity currently on-going within the LBH ICT arena suggests to the Commission that the authority knows what needs to be done in respect of ICT in order to achieve its aims. The Commission does not propose any additions to this list which it understands will be reviewed as part of the already planned ICT strategy re-fresh.

However throughout this report a number of recommendations are made which, if implemented, the Commission believes will assist in the delivery of supported and engaged ICT function with appropriate capacity to deliver the systems required to support the desired organisational outcomes and Mayoral Priorities.

The Commission believes that it has improved both its knowledge of ICT and the potential for ICT in local government through conducting this review and believes that aspects of such learning may helpfully be included within a future ICT Strategy. The Commission expects see a revised ICT strategy in due course once developed.

## 7. CONCLUSION

- 7.1 This has been the second investigation conducted by the Governance and Resources Scrutiny Commission since the 2006 Local Government Elections. The review has aimed to identify and understand the role and needs of ICT within the operation of a local authority and where appropriate celebrate any successes as well as identifying any appropriate areas or future improvement. The Commission's perception of the challenges currently being faced and dealt with on a day to day basis has been increased and the recommendations have been made bearing these in mind.
- 7.2 As the review progressed, it became evident that ICT is a highly complex area but one that touches all everyone working for or being served by the authority. There are few simple answers to the wide variety of issues raised. One area where the role of ICT it appeared of paramount importance related to the importance placed by LBH on partnership working across both disciplines and organisations and the likely substantial need for new ICT investment to effectively leverage such aims.
- 7.3 The Commission was encouraged by the way the service is developing and realises that more needs to be done in order to allow the authority to work more effectively but also to meet its future challenges.
- 7.4 The Commission chose to extend its original review timescales so as to ensure it reviewed all appropriate avenues in tandem with its other areas of planned work and also so as to ensure for effective officer support and participation.
- 7.5 The Commission recognises that many of the report's recommendations require partnership working between both Directorates of the authority but also with partner organisations in order for the full potential of ICT to be realised.

**Lead Councillor:** Cllr Rob Chapman

**Scrutiny Officer:** Ben Vinter, ☎ 020-8356 3441

## **8. CONTRIBUTORS**

The following people attended the Scrutiny Commission's meetings and gave evidence or spoke with Members of the Commission in ways that helped shape the review. The Scrutiny Commission owes a great deal to them not only for what they contributed to the investigation but also for the enthusiasm and commitment they brought to the task.

Christine Peacock – ICT LBH  
Stephen Howes – Consultant – SOCTIM

## **9. MEMBERSHIP OF THE SCRUTINY COMMISSION**

### **9.1 Contributing Members of the Scrutiny Commission**

Councillor Rob Chapman, Chair  
Councillor Matthew Coggins, Vice-Chair  
Councillor Luke Akehurst  
Councillor Michael Desmond  
Councillor Faizullah Khan  
Cllr Mulready - Jones  
Councillor Mischa Borris

Scrutiny Officer Ben Vinter

## Background papers

The following documents have been relied upon in the preparation of this report or were presented to the Scrutiny Commission as part of the investigation:

<b>Description of document</b>	<b>Location</b>	<b>Date</b>
ICT Strategy	Overview and Scrutiny Team, Room 40, HTH	5/3/07
ICT Consultant's Briefing Report	Overview and Scrutiny Team, Room 40, HTH	5/3/07
ICT Consultant's First Report	" "	" "
ICT Consultant's summary report of SOCTIM benchmarking exercise	" "	" "

# Governance and Resources Scrutiny Commission Investigation Proposal

## **1. The proposed review and suggested terms of reference**

To establish an understanding of the corporate ICT strategy and implications for Directorates including an assessment of its fitness and ability to support the delivery of services by the Council to its residents in an efficient and effective way.

This review will specifically consider;

- Fitness for purpose
- Value for money
- Community involvement
- Options for peer review
- Options for audit

## **2. Origin of request (e.g. Surgery, Neighbourhood Committee, outside body, performance indicator).**

The request for a scrutiny review of this area emerged from discussions between Scrutiny Councillors, Officers and members of the Executive at the 2006 Overview and Scrutiny Work Programme Conference

The ICT Strategy was approved by Cabinet on 27<sup>th</sup> February 2006 and sets a direction of travel for the ICT function across the Council (whether delivered from the Corporate ICT function, or teams in Directorates). It sets out:

- Introduction – Why do we need an ICT Strategy?
- Where the ICT Strategy fits in relation to local and central priorities
- Where we are now – our baseline from which we will measure progress
- Where we want to be – our vision of how ICT will support the organisation in serving our community
- Some key principles for moving forward – standards that we will follow or apply
- How will we get there – what we have to do “technologically” to achieve our vision. Based on the Socitm<sup>2</sup> planning framework this addresses the “How do you eat an elephant?” question by dividing “ICT” into smaller pieces using common terminology.
- Investment Strategy – sets out areas that we will need to address, for example VFM and ROI when implementing the strategy
- Time Plan – high level plan, with expected outcomes for Council and Community
- Governance, Management & Resources – how delivery of the strategy will be monitored
- Communications – table showing the various stakeholders and how we will communicate matters about the strategy

This Scrutiny Commission will seek to test the present strategy’s appropriateness before its annual review and explore the opportunities created therein.

## **3. What are the likely objectives of any review? (i.e. Improvement in service delivery, budget saving, changed policy, recommendations to outside bodies).**

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<sup>2</sup> Society of Information Technology Managers – professional body for public sector ICT managers, in particular Local Authorities



## 7. What are likely sources of evidence/ stakeholders?

### 12<sup>th</sup> September

ICT Briefing; assessing

- Fitness for purpose - Implementing Electronic Government (BVP157, PSOs and T-Government – realising benefits of IT investment) and CPA
- Value for money – efficiency agenda, ROI
  - How well do the Council's overall and service costs compare with others?
  - To what extent are costs commensurate with service delivery, performance and the outcomes achieved?
  - Do procurement and other spending decisions take account of full long-term costs?
  - How well has the council improved value for money and achieved efficiency gains over the last 3 years?
- Community involvement

Internal ICT Audit discussion on ToR

Consideration of Socitm consultancy proposal

### 11<sup>th</sup> October

Community Outcomes - Do the strategy's outcomes contribute to making Hackney a better place?  
To what extent does the ICT strategy underpin the following mayoral priorities;

- Improving services and increasing opportunities for all, raising the life chances of the most disadvantaged
- Making sure the Council is high performing and efficient
- Providing effective community leadership and involving the whole borough in what we do

Assessment of community accessibility of proposed new models and ensuring they will deliver benefits; possible use of questionnaires, focus groups and/or existing users forums.

### 4<sup>th</sup> December

Exploring what developing new ways of working means in practice for staff and seeking other organisations experiences.

"Citizen Authentication" project – what are other organisations experiences and (private and public) and what is our own community's readiness to accept them.

Delivery of possible Socitm consultancy results

### 9<sup>th</sup> January

Peer review input.

### 12<sup>th</sup> February

Draft Conclusions

**8. What level of support is likely to be required by the review?**

- The review will be principally supported by the Corporate ICT team.
- Internal Audit input may be required
- Proposals for use of Socitm consultancy will be reviewed with costs being met from the o/s budget

**9. What are the timescales for the review? (i.e does it need to be completed in order to meet a deadline elsewhere?)**

The ICT Strategy will be reviewed annually to ensure that it is still fit-for-purpose, ideally in January or February in-line with the service planning cycle.

The review will therefore begin in September 2006 and conclude by January 2007.

**10. Who will be the Lead Member?**

Cllr Rob Chapman

**11. How will progress be monitored?**

The final report will detail how the recommendations will be monitored, which may include reporting back.

DRAFT

**First Report for the:**

**London Borough of Hackney  
Governance and Resources Scrutiny Commission**

**Review of Information, Communication and Technology (ICT)  
Strategy**

DRAFT

20/12/2006 reference: 5932REP11SHOscrutinyreport1.doc

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### 1 DOCUMENT HISTORY

File Ref. /Version	Author	Comment	Date
5932REP11SHOscrutin yreport1.doc	Stephen Howes	Draft report for Sponsor comment	20/12/06

## 2 BACKGROUND

### 2.1 Scrutiny Requirement

2.1.1 The Governance and Resources Scrutiny Commission of the London Borough of Hackney (the Council) has a responsibility to review aspects of the Council's finances, human resources, law, ICT and corporate policies.

2.1.2 This Commission is currently undertaking a review of the Borough's ICT strategy. The Commission is specifically interested in examining:

- Community Outcomes - Do the strategy's outcomes contribute to making Hackney a better place? How easy and effective is it to find information and to communicate with the Council through ICT?
- To what extent does the ICT strategy underpin the following mayoral priorities:
  - Improving services and increasing opportunities for all, raising the life chances of the most disadvantaged
  - Making sure the Council is high performing and efficient
  - Providing effective community leadership and involving the whole borough in what we do

2.1.3 A briefing has already been issued to Members of the Commission to:

- Make the point that reviewing ICT is not a technical issue and that the effectiveness of Council services is increasingly dependent on how well ICT is managed / delivered.
- Encourage Members to raise issues / concerns from their experience, to determine whether improvements in ICT can provide beneficial improvements.

2.1.4 The briefing was prepared by Stephen Howes, a consultant (also the author of this report) who has been engaged by the Council as an impartial adviser to the Members of the Commission.

2.1.5 The consultant has undertaken a desk review of existing documentation and has had discussions with the Assistant Director ICT (Christine Peacock) and two managers in key areas. Some initial observations have been included later in this report, together with further areas for possible consideration by the Commission.

2.1.6 It is emphasised that it is a matter for the Members of the Commission to raise issues for consideration for review and for the consultant to facilitate the discussion to draw out the ICT issues and arrive at relevant conclusions.

### 2.2 What is the Council's ICT Strategy?

2.2.1 The ICT strategy is a high level review of the community's and the Council's needs (from existing policy and service statements) and the identification of changes to better meet such needs.

- 2.2.2 The Strategy also includes a medium term plan that relates future investment and effort to the Council's priorities, thereby ensuring both corporate commitment and the best use of resources.
- 2.2.3 The implementation of the ICT Strategy proposals will subsequently be subject to annual budget and other approval procedures, including consideration of individual initiatives in more detail.
- 2.2.4 From time to time the ICT Strategy should be reviewed. The Scrutiny Commission now has the opportunity to influence the structure and content of the ICT Strategy, prior to the publication of a new version.

### **2.3 Changes Affecting ICT Strategy Preparation**

- 2.3.1 Historically ICT has been seen as a support activity, providing the systems and physical infrastructure for efficient, high volume back office processing.
- 2.3.2 The very wide and increasing range of how technology can be used now requires a more imaginative view. Its use should be seen differently, driving innovation in service delivery. In the commercial world, the organisation that first exploits a new technology for the benefit of its customers wins a strategic advantage over its competitors. In the public sector there are increasingly strong drivers to both meet community needs and improve measures of performance (internal and external).
- 2.3.3 Consideration of how ICT can be used to respond to customer requirements through a number of contact channels and to enable sharing information across traditional administrative boundaries are just two examples of opportunities that ICT now provides to enable services to be provided differently and more effectively.

### **2.4 Present ICT Strategy**

- 2.4.1 The present Strategy was prepared by the current Assistant Director ICT (Christine Peacock) after taking up her new role. It was published in February 2006 and is very much a document (in Christine's words) to "set the direction of travel."
- 2.4.2 The IT function at Hackney had previously not been managed consistently and there was a need to review how well it was meeting community and corporate needs and instil improved governance standards.
- 2.4.3 Broadly the existing current ICT Strategy sets out both:
- Initial (but considered) thoughts on meeting Council service requirements and known plans.
  - Proposals to improve governance arrangements for the operation and security of ICT.

### **3 INITIAL ISSUES IDENTIFIED BY CONSULTANT**

#### **3.1 Approach**

- 3.1.1 In addition to undertaking a desk review of existing documentation (see 5 APPENDIX A – DOCUMENTS CONSIDERED) the consultant has had discussions with the Assistant Director ICT Finance (Christine Peacock) to clarify progress and fully understand the existing ICT Strategy and with two managers in key development areas.
- 3.1.2 The areas selected were:
- Information sharing for improved childrens / social services.
  - Customer services developments.
- 3.1.3 These functions are crucially dependent on the effective use of information technology and therefore achievement and progress in these areas provides good indications of how the Authority is adopting and implementing ICT, to enable change.
- 3.1.4 The research to date has identified a number issues (from 0 below), but as previously stated it is a matter for the Commission to determine whether to pursue these or discuss other issues to scrutinise and report on.

#### **3.2 The Hackney Context**

- 3.2.1 Prior to reviewing specific issues it is worth stating the context in which ICT is provided at Hackney.
- First, the Authority is heavily committed to achieving benefits in the community through partnership. This is a well thought out approach, but as the use of ICT is likely to be an increasingly key element in providing information and services, the introduction of new systems and their subsequent operation has to be considered in the partnership (i.e. across organisations) context, not just within the Council.
  - Secondly, the style of providing ICT in the Authority is on a devolved basis. There is corporate provision of the main configuration, processing facilities and governance requirements, but the development and management of specific applications is undertaken in Directorates and service areas. Also, much of the corporate provision of systems is outsourced.
- 3.2.2 The Authority's style of delivering services and ICT is likely to influence the content of recommendations to deliver improvements.

#### **3.3 Partnership Working and the ICT Strategy**

- 3.3.1 If the Mayors Priorities and Community Strategy Outcomes are to be achieved by partnership, it follows that information management and ICT systems are considered in that context.
- 3.3.2 The flow and sharing of information will initially enable efficient communications between the organisations, but as joint service provision becomes a reality, it is essential that the sharing of systems and information becomes part of the combined operation, because:

- Customer centric, not organisationally centric – where the information or service is accessed by the customer, they should not be impeded by traditional organisational boundaries.
- Efficiency – where front-line staff of the Council and other agencies have to work closely together, the systems in use should enable this cooperation to take place smoothly and efficiently; breaking off to make additional telephone calls, or operate fax machines to achieve the required level of cooperation will be extra work.

3.3.3 Based on your consultant’s previous experience, it is essential that “information management” should become more prominent on the agenda of those who are planning and managing the partnerships, at the highest level. If this does not happen, there is a danger that partners will not proceed at the same rate in delivering systems and technology jointly, as commitments to partnership working will be overridden by day to day priorities within their respective organisations.

3.3.4 The Council’s ICT Strategy should begin to reflect the commitment to joint working. It will be appropriate to refer to key initiatives that are to be introduced and managed by other organisations, where they create a “dependency,” without which priorities and outcomes cannot be achieved.

### 3.4 Closer Relationship with Priorities

3.4.1 There is a danger in any organisation that investment in information technology can be channelled to achieve current technical objectives, rather than what best meets the organisations priorities and service requirements.

3.4.2 There is an opportunity to improve alignment at Hackney by relating ICT plans and initiatives identified in the ICT Strategy more closely with specific priorities.



- 3.4.3 It is recommended that specific ICT initiatives are classified in any future strategies, to show which priorities and / or outcomes they contribute to. It may be the case that:
- A particular ICT initiative may contribute to more than one priority, in which case this should be shown.
  - There is a need for an additional “infrastructure” or “governance” category for new ICT developments that are necessary, but not directly attributable to particular Council priorities (e.g. security or business continuity measures). This approach nevertheless provides a control, by exposing the proportion of investment that can be attributed directly to community priorities.

### **3.5 ICT Programme Presentation**

- 3.5.1 The current ICT Strategy contains a programme of future development in tabular form, currently categorising the individual projects according to ICT “Building Blocks” and listing the outcomes. The individual developments are shown in the year that they are planned, during the next three years.
- 3.5.2 It is recommended that in future strategies the individual projects are shown over time. This approach will enable the reader to gain an appreciation of:
- The magnitude of the individual projects;
  - A high level view of the interrelationship, in terms of timing and resource usage.
- 3.5.3 Looking for the future, and taking into account the comments already made concerning Hackney’s style of working (by partnership in the community and with devolved ICT development in departments) the proposed high level programme in the strategy should provide a broader than corporate ICT view of what is planned.

### **3.6 Process Improvement / Change Management**

- 3.6.1 Information technology offers us opportunities to transform how information and services are delivered. We do not have to be confined by traditional approaches and can think afresh about what is the ultimate objective of a service and how that objective can now be achieved with the help of text messaging, mobile working or other appropriate technology.
- 3.6.2 To maximise such opportunities there is a requirement to think beyond the technology system and consider the surrounding business processes. This is a fairly widespread issue in local government, not least because existing processes are not necessarily documented comprehensively.
- 3.6.3 The examination of the complete business process needs resourcing and there should be corporate standards for challenging the status quo and re-engineering for improvement.
- 3.6.4 The implementation of business change will need project management, within an overall plan that also includes the introduction of new technology systems. The entire change management requirement will need leadership.

- 3.6.5 The Assistant Director IT has advised that it is intended that the business analysis resources available within ICT will be strengthened. The Scrutiny Commission should form a view on whether this is sufficient to achieve the required level of transformation and improvement of processes that will be required in the future.

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## 4 FURTHER ISSUES?

### 4.1 Options

- 4.1.1 It is a matter for Members to drive the selection of issues within the Scrutiny process. The issues mentioned in the previous sections of this report provide a starting point, as proposed by the consultant.
- 4.1.2 To provide another possible basis for Members to identify issues for Scrutiny, the Audit Commissions Corporate Governance Inspection Key Lines of Enquiry, relevant to IT are reproduced in 6 APPENDIX B – AUDIT COMMISSION KEY LINES OF ENQUIRY.
- 4.1.3 In the event of Members requiring further guidance, the next priorities, in the view of the consultant would be:
- Project planning and management for new initiatives.
  - ICT service management (i.e. the continual improvement of quality of service).
- 4.1.4 These two areas probably have the biggest impact on the success (and perceived success) of the ICT function.

## 5 APPENDIX A – DOCUMENTS CONSIDERED

5.1.1 The following documents have been reviewed by the Commissions Consultant in the course of preparing this initial report:

<b>Date</b>	<b>Reference / Version</b>	<b>Title</b>
February 2006	Final v5.0	Information & Communication Technology (ICT) Strategy
2006-2010	Final	Corporate Business Plan
2006/07 – 2009/10	Final	Finance Directorate Storyboard
March 2006	Final	Finance and Resources Directorate Business Plan 2006/7 to 2009/10
July 2006	Download	Mind the Gap Community Strategy 2005-15 Update July 2006
30/09/06	Download Working Copy	Team Hackney - Local Area Agreement Submission
November 2006	Download	Fresh Start – Team Hackneys Monthly Newsletter
2005 – 2008	Final	Vision and Strategy for Hackney Learning Communities 2005 - 2008
12/07/2006	Final V1.5.1	Service First Strategy – Becoming a Customer Focused Organisation
September / October 2006	Final	Corporate ICT Project Support Office – Projects Report

## APPENDIX B – AUDIT COMMISSION KEY LINES OF ENQUIRY

KEY LINES OF ENQUIRY	INSPECTION FOCUS	ADAQUATE ARRANGEMENTS	COMPONENTS OF INADAQUATE PERFORMANCE
<b>1.7</b>  <b>Does the council have e-government and ICT strategies that support its wider strategies to deliver service improvements?</b>	<b>1.7.1</b> Context and content of e-government and ICT strategies and relationship to other strategies. Implementation arrangements and engagement with service managers and staff.	E-government strategy sets out scope of developments, usage levels and standards. It cross-refers to other strategies, such as the community strategy, best value performance plan, Local Public Service Agreement, service strategies and local strategic partnership planning. The council has a strategy for, or takes a strong and coherent strategic approach to, ICT use and infrastructure, covering all council services and with links to other corporate strategies and plans. The council has identified e-champions and has engaged or has plans to engage senior managers and staff. Responsibility, accountability and resources are assigned.	E-government strategy limited or not coordinated with other strategic planning. No e-champions. Piecemeal or unintegrated approach to ICT use and infrastructure. Resources are insufficient.
	<b>1.7.2</b> Approach to modernisation of service delivery, administration and information. Use of technology to promote social inclusion.	The council is taking steps to update traditional approaches to service delivery to work more effectively across departments, become more user and citizen-focused and promote social inclusion. This is reflected in the use of ICT and information.	'Silo' approach to departmental working and presentation of information. ICT not planned to be used to promote user focus or social inclusion.
	<b>1.7.3</b> Achievement of relevant e-government targets. Impact of e-government strategy on enabling the community.	The council has achieved its e-government targets to an acceptable level. It is helping, or planning to help, its communities to gain access to technology and skills.	Compliance with e-government targets is unsatisfactory. No significant impact of e-government in community access to technology and skills.
	<b>1.7.4</b> Impact of e-government on service improvement, access, choice, ease-of-use and public confidence. Appropriate integration and use of ICT equipment and systems.	The council is ensuring that service improvement is an integral part of e-government investment. It is ensuring that technology makes services more accessible and easier to use. Hardware, software and communications infrastructure are integrated and fit for purpose, and accessible to staff and councillors. There are protocols governing over-use and misuse.	No link between e-investment and service improvement. Systems are out of date, not fit for purpose or not accessible. Achievement of targets is undermined by inadequate systems.

	<p><b>1.7.5</b> Arrangements for planning, monitoring and review of e-government improvements and ICT strategy, infrastructure and systems. Progress and responsiveness to change.</p>	<p>The council prepares business cases for improvements, which are tracked and reviewed. It reviews progress against the e-government strategy. It reviews and monitors infrastructure and systems against need and usage, or has plans to do so. It considers and evaluates alternative providers. Monitoring and review leads to demonstrably improved service and/or governance outcomes.</p>	<p>No monitoring of e-government improvements or of infrastructure and systems.</p>
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