

# THE HIGHLAND COUNCIL

Resources Committee 3<sup>rd</sup> December 2008

Agenda Item	
Report No	

## Review of Corporate ICT Structure

### Report by Assistant Chief Executive

#### **SUMMARY**

**This report details the work to establish a new corporate ICT organisation to enable the Council to meet the requirements of customers, members, partners and other agencies.**

#### **1. Introduction**

- 1.1 The Council agreed at Resources Committee on 19/4/2006, it will move to a single ICT organisation to manage its ICT services (including outsourced contracts) for the provision ICT policy, strategy and governance functions for the Council. At the meeting of The Highland Council on 14/2/2008 Members confirmed the move to a single ICT organisation by identification of corporate savings which would be achieved through this process. The Council's ICT procurement reflects this arrangement, and will procure corporate ICT arrangements which will be managed by a single team.
- 1.2 The scope of the new ICT organisation staffing arrangements will include management and delivery of the retained ICT services, to be defined, as well as the management of external service providers. This includes all ICT which the Council requires to support its business, including schools and public access computing.
- 1.3 The process to establish the new ICT organisation is interlinked with the ICT procurement process. The Council has divided the procurement into 5 work packages which are outlined in Appendix A, with the 'Governance' work package (the Council's client function) retained in house. This retained function will manage the strategic relationships and contracts which the Council requires to manage its ICT provision and it will provide the governance structure for the new ICT organisation, including the creation of policy and strategy. As a significant part of the staffing requirements will be determined by the procurement process, the staffing arrangements for work packages 2-5 will only become clear at the end of the detailed proposal dialogue Stage in March 2009. Therefore the process to establish the new ICT Organisation is being undertaken in a phased approach. This will allow for initial work to take place and preparations made in advance of the procurement response.
- 1.4 How the remaining work packages will be delivered (and the staffing required) will be determined during the competitive dialogue procurement process.

During the procurement process the Council will be undertaking a Public Sector Comparator (PSC) to determine value for money and this may have an impact on any future staffing requirements

## **2. Current arrangements**

- 2.1 The Council currently has a corporate IS Client Team (situated in the E-Government section within the Chief Executive's Service) which provides a strategy and governance function for the Council and manages the outsourced PFI contract with Fujitsu. Outside of the main IS Client Team each of the Services has personnel who are involved in ICT functions. The new ICT organisation will bring together the ICT staff across the Council, including curriculum staff, to create a dedicated ICT function.

## **3. New ICT Organisation**

- 3.1 As part of the ICT procurement activity workshops have been undertaken with Services to identify the future needs of ICT. It is clear that, as well as a robust ICT service delivery, Services require ICT to be an enabler of business change and transformation. A number of Services have asked that the new ICT organisation support their efficiency agendas and underpin the capability to transform their business and streamline service delivery requirements. Therefore the new structure has been developed with this remit in mind.

- 3.2 It is recognised that the new structure needs to address the strengthening of the central team and also to bring together staff undertaking ICT roles across the organisation. Additionally the way in which the ICT procurement work packages have been structured means that some of the work which was previously out sourced such as project management, systems assurance, systems testing and service design and development will now coming back in house. Therefore this work will need to be resourced by the Council rather than being a managed service provided by an external supplier. As the new ICT contract does not include business transformation, elements of the skills required to undertake strategic analysis of ICT future development have been incorporated.

- 3.3 The new governance structure addresses a number of areas which the Council considers priorities and which have been identified by Audit Scotland as either under resourced or potential risk areas. Therefore additional focus is proposed in the following areas: strengthening of the client & strategic ICT function, strengthening of the service management function, contract management of outsourced ICT contracts, better and improved focus on information management and data security, ICT business continuity/disaster recovery and building capability in project management and governance of projects.

- 3.4 The proposed structure recommends a new post of Corporate ICT Manager, reporting to the Head of E-Government. The remit of this post will be to manage the Council's ICT organisation, deliver a robust operational service and to provide a strategic focus for the use and development of ICT and projects within the Council. This role will also support the electronic and transformational government agendas and take forward major pieces of work

such as Information Management, ICT strategy, ICT service/business development at a corporate level. This post will work with Service Directors to develop their ICT requirements for the future.

### **3.5 ICT Service, Client and Contract Management**

It is proposed that this area will be managed by a new post of ICT Delivery Manager, reporting to the Corporate ICT Manager. This post will be responsible for delivering the Councils ICT at an operational level across the organisation, managing outsourced ICT contracts and ensuring that the Services and schools have a robust client management function. It is anticipated that this function will also undertake benchmarking and VFM studies to ensure that the Council is achieving best value from its contracts. Staff will be trained to ITIL (Information Technology Infrastructure Library) standards and this team will also undertake performance monitoring to ensure that the Council's service providers are achieving SLA targets. It is anticipated that the strategic service management will be embedded in the Services providing dedicated resource, and once the functional structure is agreed the organisational arrangements to support this will be created.

**3.6** This section will also manage the work packages 2-5 as part of the future managed service arrangements. The staffing requirements for this element will be reviewed from January 09.

### **3.7 ICT Strategy and Project Management**

It is proposed that this area will be managed by a new post of ICT Strategy and Projects Manager, reporting to the Corporate ICT Manager. This post will be responsible for managing the strategic direction for ICT within the Council, creating corporate ICT policies, ensuring compliance for all services, and compliance with industry and external standards. The remit will also include service design, development, systems architecture and TDA (Technical Design Authority) skills (some of which were previously outsourced). Additionally the Council will need to build in application development and specialist IT skills to take new systems and service forward

**3.8** This area will also manage the Council's information management requirements, including strengthening the resources required for effective information and data security, and developing the Council's e-service offering and working with the web team to ensure that the website infrastructure is capable of meeting national requirements such as the citizens account and major electronic interfaces such as e-planning. Business continuity and disaster recovery policy will be managed in this team as will ICT project management and the programme office for the Digital Highland Programme Board. The Council needs to strengthen its approach to ICT project management and also to provide governance to the organisation with regard to PRINCE 2 project management methodology and the OGC gate way review process, and as such, the new organisation will have this capability and also provide a link to the new Corporate Improvement Programme.

## **4. Timescales**

**4.1** As agreed by the ICT Procurement Project Board the work to establish the new Single IS Client is following a phased approach, in line with the ICT procurement process. The first step is to establish the management structure for the new ICT organisation as outlined in section 3 of this report. It is proposed that the new 3 management posts be filled (following approval by Committee) in accordance with the Council's personnel policies including, for example, direct matching of posts; ring fencing of specific posts where there is deletion of posts due to a change of requirement for the service; and/or open internal recruitment ring fenced to staff within ICT scope, as appropriate.

**4.2** As the new structure is created it is anticipated that the current ICT posts within the Council will be reviewed. The new structure will necessitate that as posts are created, existing posts may need to be amended or deleted and ICT posts based within service structure will be migrated into the new ICT Organisation. It is proposed that new posts, deleted posts and any changes to existing posts will be assessed in accordance with the Council's new Job evaluation scheme. It is suggested that delegated authority is given to the Head of Personnel and Assistant Chief Executive to agree the new grades and proceed with the recruitment, with any changes being presented to Resources Committee for Member information in the regular 'Amendments to Organisational Structures/Establishments' report.

## **5. Financial Implications**

**5.1** All proposals will be funded from within the Council's existing ICT budget provision. The council has developed an affordability model to support the ICT procurement process, and included within this model is a budget for the new ICT organisation. The affordability model has been developed using the Council's existing ICT budget, within current spending, and therefore it is anticipated no additional funding will be required for the new ICT organisation.

## **6. Consultation Process**

**6.1** These proposals have been developed to accommodate feedback that has been received following consultation with staff and Trade Unions. Trade Union consultation has been in place since May 2008 and will be ongoing during 2009.

**6.2** A number of staff briefings have taken place, including one to one consultation meetings. Open forums have been held in Fort William, Dornoch and Inverness, and more forums will be scheduled in the coming months. A dedicated website has been created in order for staff to access information and post any questions which they may have.

**6.2** Regular reports have been presented to the ICT Procurement Project Board, with the Project Board approving the functional structure (Appendix B) on 8<sup>th</sup> October 2008.

**6.3** Elected Members received initial consultation at the ICT Procurement Members Working Group on the 15<sup>th</sup> August 2008, with the functional structure being presented on the 21<sup>st</sup> October 2008. Consultation with this group will be ongoing

## 7. RECOMMENDATION

7.1 Members are requested to:

- (i) Approve the phased approach and note the links to the ICT procurement
- (ii) Approve functional specification of the new ICT organisation as outlined in Appendix B
- (iii) Approve the creation of the posts of Corporate ICT Manager, ICT Delivery Manager, ICT Strategy and Projects Manager as outlined in Section 3
- (iv) Grant delegated authority to the Head of Personnel and Assistant Chief Executive to agree grading and proceed with recruitment for the new ICT organisation posts as outlined in Section 4.
- (v) Note the consultation process undertaken as outlined in Section 6

Signature:

Designation:

Author: Vicki Nairn

Date: 12.11.2008

## APPENDIX A – ICT Procurement work packages

### Work Package 1 - Governance

- **Business Change** – This covers ICT-oriented activity in support of Business Change projects. For example, requirements gathering, ICT aspects of business analysis, testing and acceptance of solutions, management of external solutions providers.
- **IS Strategy** – Setting the strategic direction of ICT services. Examples would include decisions of server platform and operating system, strategic middleware solutions, support models, etc.
- **Architecture Design & Standards** – Setting standards and design principles for the technical architecture. Examples include server build standards, backup/restore/DR process standards, operational governance standards, security standards and architecture.
- **Demand, Capacity and Performance Management** – Understanding future changes in demand for ICT services and ensuring that the capacity of the ICT infrastructure is able to meet that demand without degrading performance levels.
- **Project Management** – Managing ICT projects. This may include managing the Client aspects of a project being performed by an outside supplier.

### Work Package 2 - Service Management

- **Project Management** – Managing ICT projects. This may include managing the Client aspects of a project being performed by an outside supplier.
- **Application Support and Maintenance** – Application-oriented support and maintenance activities, including database administration, user access management, password resets.
- **Service Desk** – The Service Desk is the first point of contact for user enquiries, problem reports, service requests etc. First-level support and fault-fixing takes place here.

### Work Package 3 - Managed Desktop Service

- **Design & Build** – Technical design of the desktop PC/Laptop build, and desktop software. Build & installation of desktop equipment.
- **Desktop Support** – Support for desktop equipment & services, including PCs, Laptops, printers, etc; desktop software; network interfaces

### Work Package 4 - Application Management

- **Design & Build** – Systems Analysis, design, build, testing and implementation of applications infrastructure (typically applies to bespoke applications)
- **Application Development** – Design, Build & Implementation of packaged or externally hosted applications.

### Work Package 5 - Infrastructure Services

- **Design & Build** – Design of technical infrastructure (networks, servers, telephony, data centre infrastructure, etc), build and implementation.
- **Server & Web Hosting** – Management of the applications servers, web servers, file & print servers, etc. Includes second & third level technical support, operations and maintenance.
- **Telephony** – Management, support & maintenance of telephony infrastructure (PABX, networks, VOIP servers, etc)

- **Network Support** – management, support & maintenance of network infrastructure, both WAN and LAN, including interfaces to externally-supported network (e.g. Pathfinder North).

## APPENDIX B: Functional IS Client Structure

**Key:**

Non-ICT Role / Function
ICT Role / Function
Contractor ICT Role / Function

