

Overview and Scrutiny Committee



Forest Heath
District Council

Title of Report:	Annual Presentation by the Cabinet Member for Resources and Performance	
Report No:	OAS/FH/18/006	
Report to and date:	Overview and Scrutiny Committee	8 March 2018
Portfolio Holder:	Councillor Stephen Edwards Cabinet Member for Resources and Performance Tel: 01799 530325 Email: stephen.edwards@forest-heath.gov.uk	
Lead officers:	<p>Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk</p> <p>Karen Points Assistant Director (HR, Legal and Democratic Services) Tel: 01284 757015 Email: karen.points@westsuffolk.gov.uk</p> <p>Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk</p>	
Purpose of report:	<p>As part of the "Challenge" role, Overview and Scrutiny are asked to consider the roles and responsibilities of Cabinet Members. It is part of the Scrutiny role to "challenge" in the form of questions.</p> <p>Therefore, to carry out this constitutional requirement, at every ordinary Overview and Scrutiny meeting at least one Cabinet Member shall attend to give an account of his or her portfolio and answer questions from the Committee.</p>	

Recommendation:	<p>Members of the Committee are asked to question the Cabinet Member for Resources and Performance on his portfolio responsibilities, and having considered the information, the Committee may wish to:</p> <p>1) Make recommendations to the Cabinet Member for Resources and Performance for his consideration;</p> <p>2) Request further information and / or receive a future update.</p> <p>3) Take any other appropriate action as necessary.</p>		
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
Consultation:	<ul style="list-style-type: none"> • N/A 		
Alternative option(s):	<ul style="list-style-type: none"> • N/A 		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> •
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> •
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> •
<i>Are there any legal and/or policy implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> •
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> •
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
None	Low/Medium/ High*		Low/Medium/ High*
Wards affected:		All	
Background papers:		None	
Documents attached:		Exempt Appendix A – ICT customers Appendix B – Departmental ICT costs	

1. Key issues and reasons for recommendation

1.1 Background

1.1.1 As part of its "Challenge" role, the Overview and Scrutiny Committee is asked to consider the roles and responsibilities of Cabinet Members. To carry out this constitutional requirement, at every ordinary Overview and Scrutiny meeting at least one Cabinet Member shall be invited to give an account of his or her portfolio and to answer questions from the Committee.

1.1.2 Last year, on 16 March 2017, Councillor Stephen Edwards, Cabinet Member for Resources and Performance attended this committee and presented a report which summarised the areas of responsibility covered under his portfolio.

1.2 Scrutiny Focus

1.2.1 The scope of this report differs from that of last year as the Cabinet Member has been asked to prepare a report which answers the following specific questions identified by the committee members as being relevant to the resources and performance portfolio:

- 1) **Procurement:** How does the Council's procurement procedure protect us from doing business with companies like Carillon? *(for example: if you require 3 quotes for someone big, then often there are very few companies that size that can quote, but how financially healthy are they?)*
- 2) **ICT:** Will members be consulted on what they would like to see in terms of ICT offerings in 2019, and when will that happen?
- 3) **ICT:** What is the total IT budget, and what IT services does the council supply to each Department (ITIL Service Library List)?
- 4) **ICT:** How much of each IT services, does each department consume?
- 5) **ICT:** How much does it cost to provide each IT service?

1.3 Response to Key Questions Set out in the Scrutiny Focus

1.3.1 Procurement: How does the Council's procurement procedure protect us from doing business with companies like Carillon?

The procurement procedures (Contract Procedure Rules) to be followed are based on the value of the contract – in general for all relevant contracts over £50,000 the Procurement Manager must be consulted for his advice (some specific types of contract are excluded from the CPRs, plus exemptions may be sought in certain specific circumstances).

Guidance is available for officers regarding whether financial assessment of tenderers and contractors should be undertaken.

Financial assessments are undertaken on:

- Contracts between £10k - £50k where there are considered to be particular risks
- Non-Constructionline* contracts over £50k
- Constructionline contracts over £50k which are considered to carry particular risks

The financial assessment is undertaken (using guidance from the Office of Government Commerce) to analyse the supplier's financial position and determine the level of risk that it would represent, based on the contract requirement and value. Relevant and available financial information will be used to make a judgement, and this will generally consist of:

- accounts (audited, where relevant) for the last two years
- credit report
- internet searches regarding any recent financial news relating to the company

Based on the financial assessment undertaken suppliers will be awarded a pass or fail score. A pass signifies that the supplier, based on currently available financial information, is considered likely to be sufficiently financially stable to undertake a given contract.

*NB Constructionline is a Government-run scheme, which collects, assesses and monitors standard company information and operates a pre-qualification assessment service. This pre-qualification service provides an assessment of the supplier's financial status including guidance regarding the maximum contract limit.

1.3.2 **ICT: Will members be consulted on what they would like to see in terms of ICT offerings in 2019, and when will that happen?**

We are keen to engage with Councillors on what the Council's ICT provision will look like moving forward. Based on feedback to date it is clear expanded Bring Your Own Device (BYOD) will be a key part of any offering. It should also be noted that for those who do not feel their current ICT equipment meets their needs that the following upgrades is available:-

- a. All Councillors are able to have their corporate devices upgraded to Windows 10 from Windows 8.1. This has proved a significant improvement in performance and stability. Hardware replacements are also available if a total device replacement is needed.
- b. Twin SCC/WS Councillors – Those who represent both Councils can access the West Suffolk ICT systems via a Microsoft Remote Desktop from their Suffolk County Council (SCC) laptops. This functionality is currently be piloted by one councillor and we welcome additional councillors to also pilot before full rollout. This functionality provides a simple cost effective option, enhancing flexibility whilst maintaining the separation of SCC and WS data. Discussions about a reciprocal arrangement with SCC are also taking place.

- c. Citrix Walled Garden environment – This solution provides access to all the Councils Microsoft Office applications and intranet from a personal device such as Apple MAC, iPad or Windows PC without the need for corporate equipment. This functionality has only recently become available and we will be seeking some Councillors to pilot.

1.3.3 **ICT:**

- **What is the total IT budget, and what IT services does the council supply to each Department (ITIL Service Library List)?**
- **How much of each IT services, does each department consume?**
- **How much does it cost to provide each IT service?**

These have been answered in 1.3.3 of this report.

ICT Introduction

This section has been prepared to answer the questions set out at paragraph 1.2.1 (3) above. It should be noted that core ICT spend is centralised within the ICT Cost Centre, however departmental line of Business Application Spend is devolved to departmental cost centres. For the purposes of this report these will both be covered.

In relation to consumption of core ICT services these are consumed consistently across all users of ICT and are therefore divided per ICT user and attributed to departments based on the number of ICT users in each department. Line of business ICT services will be represented within the totals for the appropriate department.

The cost of each core ICT service is listed under section 1.3.5.1 below. The cost of providing Line of Business ICT services are detailed within section 1.3.5.2 below against the relevant department. A summary breakdown of ICT users per department is listed in the next section.

1.3.4 **Total ICT Users Supported per department**

The West Suffolk ICT service support approximately 1,150 fully managed users across West Suffolk, ARP, Abbeycroft, EELGA and others. As well as first line support for around 500 SCC staff with whom we share office accommodation. For the purposes of this report we are focused on the West Suffolk totals listed below only:-

Total West Suffolk ICT Users	630
Families and Communities	103
Growth	29
HR, Legal & Democratic Services	72
Operations	180
Planning and Regulatory Services	93

Resources and Performance	65
CEO's Office	6
Councillors	72
Others (Verse, Audit Commission. Emergency planning)	10

1.3.5 Total West Suffolk ICT costs

The net costs below are after income and expenditure for third party contracts have been taken into account as this is outside of the scope of these answers. A schedule of income from third party ICT customers can be found in **Exempt Appendix A** as supplementary information.

Software licence costs are predominantly subscription based or Software as a Service (SaaS) based and paid annually. Hardware is calculated predominately on a 5 Year expected life and the total costs are divided by estimated life to produce an annual provision into the hardware refresh reserve.

1.3.5.1 Corporate ICT Costs

The table below lists the total core ICT costs that all users of ICT receive, these are then split across the department spend below on a per ICT user basis relative to the size of the department.

Total Annual Core ICT Budget	£632,000
End Users Device Hardware	£85,000
- Laptop	
- Desk Phone	
- Mobile Phone	
Backend Infrastructure Hardware	£110,000
- Servers	
- Storage	
- Switches	
- Firewalls	
- Telephony System	
Microsoft and other infrastructure Licensing	£142,000
- Office	
- SQL Server	
- Exchange	
- Windows	
- Windows Server	
Wide Area Network and Internet Connectivity	£105,000
- Internet Connectivity	
- PSN Connectivity	
- Wide Area Network Connectivity	
- SIP Telephony Service	
Customer and Infrastructure Support Staff (Net)	£190,000
- Desktop Support	
- Telecoms Support	
- Server and Network Support	

The net cost of the ICT Business Application support team is as follows, these have been split across departments based on individual responsibilities for Systems. They are shown here for completeness but not included in the total above.

Business Application Support Staff (Net)	£444,200
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1.3.5.2 Departmental ICT Costs

All departmental application costs set out in **Appendix B**, exclude system implementation and cost of change should they need replacing, including temporary ICT team resource. Some annual fees represent a subscription or SaaS license, whereas others are annual support and upgrade maintenance on systems that incurred an initial capital expenditure. The costs of non ICT system administration of these systems within each department are not included.

1.3.6 Breakdown of typical per user costs

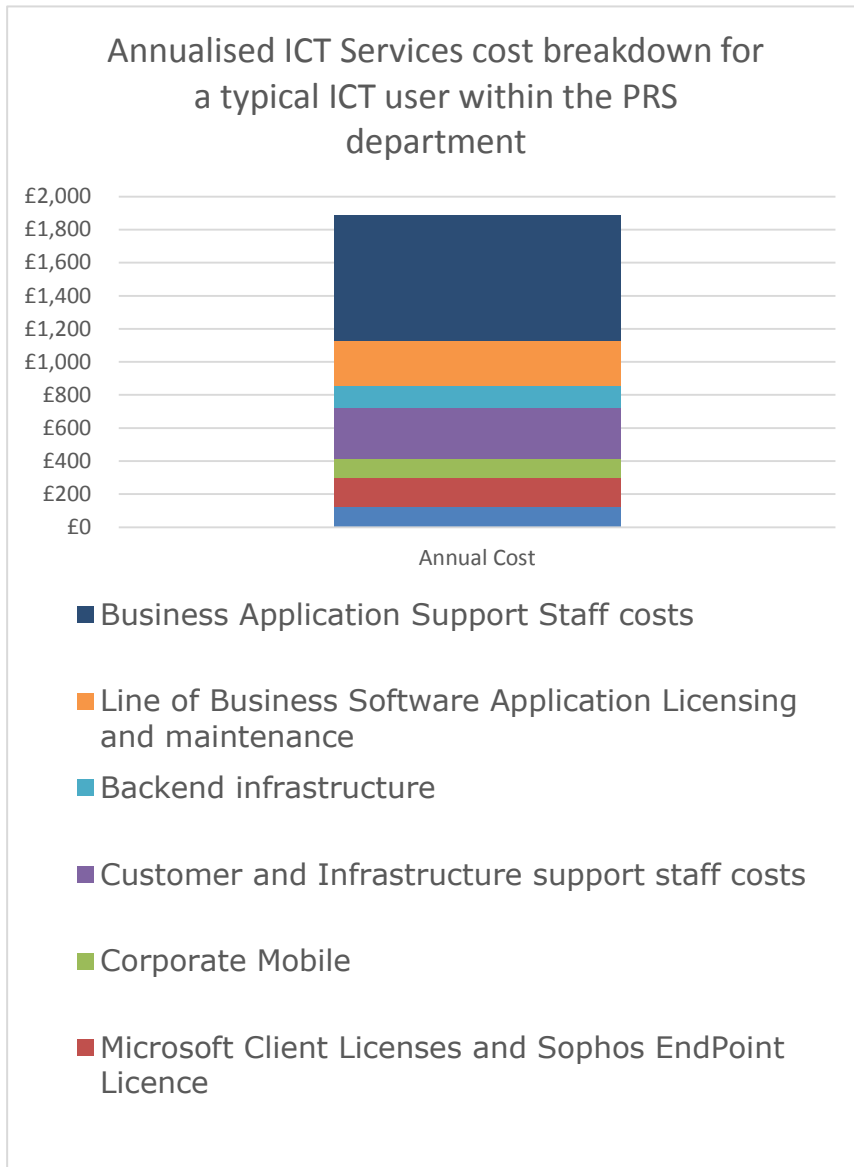
To provide further analysis and a more granular level of detail we have also produced the typical base costs for a standard user with laptop, desk phone and mobile as shown below

Direct per user costs	Annual Cost
Laptop (5 Year life)	£124
Microsoft Client Licenses and Sophos Endpoint Security	£177
Corporate Mobile	£117
Indirect infrastructure costs divided by total users	
Customer and Infrastructure support staff costs.	£304
Backend infrastructure	£135

These can be added to the service specific per user costs shown for PRS below

Planning	Annual Cost
Line of Business Software Application Licensing and maintenance	£273
ICT Business Application Support Staff costs	£762

These figures are shown relative to one another in the chart below.



1.4 **Proposals**

1.4.1 That the Overview and Scrutiny Committee ask questions of the Cabinet Member following his update.