Wiltshire Council

Cabinet

30 April 2019

Subject:	**ICT & Digital Strategy – ADDENDUM SHEET**
Cabinet member:	**Cllr Philip Whitehead - Cabinet Member for Finance, Procurement, ICT and Operational Assets**
Key Decision:	**Key**

Addendum

The costs associated with the ICT & Digital Strategy have been refined since the publication of the report, and are detailed below. Those budget elements already approved, and those seeking approval, are identified.

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Introduction

The costs associated with the ICT & Digital Strategy have been further refined since the preparation of the report, based on information gathered in the interim. In addition, the extent to which the proposed costs are covered by the existing approved capital budget, and the extent to which further funds would be required, have been explored and are described below. There is no proposed change to the revenue costs.

Updated Capital Costs

The ICT & Digital Strategy will require primarily capital investment, and this is broken down in the strategy document into several areas. (A detailed spreadsheet of all costs referred to below is attached as an Appendix).

The 'Get-Well' programme has an approved capital budget running over 3 years (see Appendix G in the strategy document):

2019/2020	2020/2021	2021/2022
£8.953m	£1.433m	£1.333m

The ICT 'business as usual' has an approved capital budget (routine replacement of laptops, routine network upgrades etc.) of:

2019/2020	2020/2021	2021/2022
£2.518m	£0.866m	£0.866m

The ICT & Digital Strategy also captures the costs of the replacement of Line of Business applications, which have historically been the subject of individual capital bids from within the business. To date SAP, OLM Adult Care, Children's Services Case management and Northgate M3 have approval and allocated capital budget for replacement as follows:

2019/2020	2020/2021	2021/2022
£4.453m	£0.028m	£0.329m

The total approved capital budget for 2019/2020 to 2021/2022 is £20.777 million. Capital budget is also approved for 2022/2023 and 2023/2024 for a total of £11.086 million, to create an overall approved ICT capital programme budget of £31.863 million over five years.

Request for New Capital Budget:

It is recommended that Full Council approve additional capital budget of £11.100 million to create a capital budget for the replacement of line of business applications and various technological equipment not normally covered by ICT budgets (including such things a library self-service kiosks, the audio-visual equipment that allows council meetings to be broadcast, etc – see Appendix E of the strategy for a full list), as contracts come up for renewal, and as applications and equipment reaches the end of its useful life. This budget will be managed by the Digital Board and will be allocated upon completion of a full business case. Note that wherever possible applications will be replaced with "Software as a Service", which will incur lower capital costs, hence these figures should represent a worst-case position, although full discovery of all applications is continuing.

The capital financing costs for this budget based on a 5-year annuity at 2.53% would be £2.391 million per annum. This would need to be built into 2020/2021 budget setting and corresponding savings identified.

New Capital Budget Request:

2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
£4.559m	£2.013m	£1.056m	£3.471	£0.000

If this budget is not approved, then replacement of IT applications and key IT-related systems will need to come forward to Full Council for approval on a case by case basis as they arise. They are however integral to the ICT and Digital strategy and the successful technological functioning of the council, and replacements will be required to continue to support service delivery.

The Digital Programme – Microsoft Cloud Navigator is not included above or in the IT Strategy as it is being manged as a standalone programme.

Adopt a strategic approach: recommended

ICT exists only to support the needs and successful operation of the organisation, and an ICT & Digital Strategy must operate top-down if it is to achieve this. The approach recommended provides a logical flow from corporate to operational needs, examines relevant technology trends and best practice, examines where the organisation's current provision is and where it falls short, paints a vision of a desirable and achievable future state, and proposes how to get there, in the context of improved organisational governance. It is recommended that this approach is adopted.

To adopt this strategy, it is recommended Full Council approve an additional capital budget for Applications and Key IT of £11.100 million for the period 2019/2020 to 2023/2024. Full Council should acknowledge that by increasing

the capital budget the capital financing revenue budget will need to be increased in future years by circa £2.391 million per annum. This will need to be addressed as part of 2020/2021 budget setting as part of the capital programme and revenue budget setting.

This would increase the overall ICT capital budget for the period 2019/2020 to 2023/2024 from £31.863 million to £42.963 million.

Paul Day – Interim Director, Digital Transformation & IT