

Wiltshire Council

Council

Date of meeting: 21 May 2019

Subject: ICT & Digital Strategy – Funding

Cabinet member: Philip Whitehead – Finance, Procurement, ICT and Operational Assets

Key Decision: Yes

Summary:

The costs associated with the ICT & Digital Strategy were presented to Full Council in February, and funding approved. The Strategy itself was approved at Cabinet on April 30th. The Cabinet report is attached to this agenda as an accompanying report, revised costs issued to Cabinet following publication have also been incorporated into this report to Full Council.

Since the approval of the budget, the decision has been taken to surface all technology-related costs, including those not historically associated with the ICT budget, to assist in planning purposes. These costs would have emerged piecemeal and been the subject of individual proposals presented to Full Council, typically without proper coordination with other technology-related investments. To ensure that a more strategic view is taken, technical standards enforced, the selection of spot-fixes avoided, and the deployment of technical resource better planned, these investments have been mapped out over the next 5 years and included in updated financial planning.

This paper explains what these investments are, in the context of investments already approved for the ICT & Digital Strategy. As with all technical projects, each will require an approved business case, taken through the robust governance process that has recently been established. This approach will ensure that the Council has a clear view of its technical investments over the coming years, and is able to invest in a planned and coordinated fashion.

Proposal(s)

That Council:

a) Approve additional capital budget for £11.100m to create a capital budget for the replacement of line of business applications and various technological equipment not normally covered by ICT budgets;

b) Note that 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.

Reason for Proposal(s)

To enable the Council have a clear view of all its technical investments over the coming years, so that it can invest in a planned and coordinated fashion.

**Executive Director
Carlton Brand**

Wiltshire Council

Council

Date of meeting: 21 May 2019

Subject: ICT & Digital Strategy - Budget

Cabinet member: Councillor Philip Whitehead – Finance, Procurement, ICT and Operational Assets.

Key Decision: Yes

Introduction

The costs associated with the ICT & Digital Strategy were presented to Council in February, and funding approved as detailed below. Since that time, the decision has been taken to surface all technology-related costs, including those not historically associated with the ICT budget, to assist in planning and coordination purposes. These costs would have emerged in a piecemeal fashion and would have been the subject of individual proposals presented to Full Council, typically at fairly short notice, and without the benefit of proper coordination with other technology-related investments. To help ensure that a more strategic view can be taken, technical standards enforced, the selection of spot-fixes avoided, and the deployment of technical resource better planned, these investments have been mapped out over the next 5 years and included in updated financial planning. This paper explains what these investments are, how much they will cost, and when they will occur. Note that, as with all technical projects, each will require the creation and approval of a detailed business case, in good time before the solution is required, which will be taken through the robust governance process that has recently been established. This approach will ensure that, for the first time, the Council has a clear view of its technical investments over the coming years, and is able to invest in a more planned and coordinated fashion.

Updated Capital Costs

The ICT & Digital Strategy, which was approved by Cabinet on April 30th 2019, requires primarily capital investment, and this is broken down in the strategy document into several areas. (A detailed spreadsheet of all costs referred to in this paper is attached as an Appendix). Revised costings were also report to Cabinet as a [supplement](#). The capital costs for the strategy had already been approved by Council in February.

The 'Get-Well' programme within the Strategy has an approved capital budget running over 3 years (see Appendix G in the strategy document, which was included in the papers for the 30 April Cabinet meeting):

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

The ICT 'business as usual' programme within the Strategy has an approved capital budget (for 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 some key 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 – Appendix E of the strategy published with the Cabinet papers of 30 April has a full list), as contracts come up for renewal, and as applications and equipment reach the end of their useful life. This budget will be managed by the Digital Board and will only be allocated upon approval 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 managed as a standalone programme.

Additional Technology-Related Spend

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 within the Strategy 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. This approach has been adopted, and was approved by Cabinet on 30 April.

To gain the full benefits of this strategic approach, and ensure that all technology-related invested are properly planned and coordinated, 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.

Proposal(s)

That Council:

- a) Approve additional capital budget for £11.100m to create a capital budget for the replacement of line of business applications and various technological equipment not normally covered by ICT budgets;**
- b) Note that 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.**

Reason for Proposal(s)

To enable the Council have a clear view of all its technical investments over the coming years, so that it can invest in a planned and coordinated fashion.

Paul Day – Interim Director, Digital Transformation & IT