

POLICY & FINANCE GENERAL BUDGET PRESSURES 2004/05

POLICY & COMMUNITY	2004-05 £000	2005-06 £000	2006-07 £000	2007-08 £000
<i>Tackle poverty and isolation in Herefordshire</i>				
<p><u>INFO in Herefordshire</u></p> <p><u>Medium term view</u></p> <p>The Council's Customer Service Strategy 2003-07 identifies the core elements for delivering a customer focused organisation. This is also underpinned by the IEG statements and the role of technology and information in the next few years. The recent launch in September 2003 of the Council's Customer Services Standards signals a stepchange in our cultural attitude to performance in this area.</p> <p>The CXMT has recently received a full report setting out the business case for service improvement, carried out organisation wide. The report effectively demonstrates the business case for a step change in the way we are organised to achieve service improvement within available resources. This paper highlights the global financial case and is currently awaiting CXMT and cabinet discussion to progress this financial year.</p> <p>The following are identified as core ingredients for the base budget in the period starting from 2004/05.</p> <p><u>INFO - Current business</u></p> <p>(1) Transaction volumes have risen by 40% in 12 months and staffing has fallen by approx 15% (resignations, maternity, secondments and project work). Staff are covering extra hours, claiming travelling expenses, incurring travelling time and accumulating flexitime. Extremely difficult to continue to guarantee advertised opening hours unless growth is resourced. Permission already granted to fill vacancies but growth element remains.</p>				

<p>INFO - continued Alternatives already deployed, moving staff from F/T to P/T creating flexibility and reducing paid break times. Possibility of creating economies of scale by integrating INFO and Library staffing at some sites. Only available in short-term at Bromyard. This has already been factored into shortfall calculation but will incur training costs.</p> <p>Budget shortfall for staffing - 1 FTE</p> <p>The funding above is regarded as essential if a level of service is to be achieved in Leominster. The footfall of CAB enquiries which is initially through INFO has increased by 22% since opening. CAB remains an underfunded service and a direct effect of not increasing funding for CAB will impact on INFO.</p> <p>(2) Work will progress to realise the Wesleyan Chapel as the new location for library and INFO shop at Kington. The initial business assessment indicates the need to uplift the revenue budget. However, Kington INFO Help point which was adopted in January 2002 is currently not meeting standards required. The following is requested: Upgrade of Kington office to meet service standards and risk assessment (single working in a cash office). 1 FTE required plus network links to Council legacy systems and provision of terminals. This will be transferred to the Wesleyan Chapel .</p> <p>1 TFE (£20,000) plus IT budget (£10,000)</p> <p>INFO - Future developments Detailed costs are not known for 2004-2008. Hereford INFO shop depends on location and work of service improvement project. Kington INFO/Library service has an estimated revenue shortfall of £30,000. Ledbury INFO/Library depends on location. The Service Centre (Contact Centre) is a major decision and is due to be considered in October on how to progress.</p>	20			
<p>INFO - continued Ledbury INFO: development costs/revenue support Hereford INFO shop (assumes 4FTE extra when live)</p>	10 20	60		
Total INFO	80	60	20	

Golden thread - information and communications technology				
<p>Please refer to explanatory notes and glossary of terms for more detailed information</p> <p>1. Corporately manage information and ICT</p> <p><u>Loss of Income to ICT Services</u></p> <p><u>Lack of Investment</u></p> <p>For the past 2 years substantial sums have been absorbed within the bottom line accounts of HCS (circa £700k) meaning that little or no reinvestment has been possible in the ICT infrastructure and service. This problem is still greater when viewed from the actual basis on which ICT Services have operated - that is, one of cost efficiencies.</p> <p><u>Externalisations</u></p> <p>Herefordshire Housing 136 Herefordshire Commercial Services 55 HALO 80</p> <p>If new funding sources cannot be found, SLA charges for other Council Departments/ Directorates will need to increase to cover the revenue shortfall.</p>				
<p><u>Upgrade ICT Services Procurement Function</u></p> <p>The ICT Improvement Plan arising from the best value review recommended centralising all ICT procurement in IT Services. This has now been established as a principle in the Corporate Information Policy and approved by the IPG. Currently, ICT services does not have the capacity to support this and requires additional staff (2FTE) and systems support (£15k annual recurring revenue).</p> <p><u>Develop Directorate Capacity to Manage Information and ICT</u></p> <p>There is a need to develop the Information and ICT capacity in Directorates / Department and one post in each has been costed. Consideration should be given as to whether this should be an additional charge or absorbed by Directorates / Departments by realigning their resources to create this capacity.</p>	60	-5		225

<p><u>ICT Services Audit and Inspection</u></p> <p>ICT Services incur substantial costs in supporting audits for other Directorates / Departments and they are increasing in number with e-Modernisation. Risk - the loss of income and rising cost base as staff are diverted to support these activities. The costs are included here to identify the risk, but should be shared across Directorates.</p> <p><u>Research & Development</u></p> <p>Increasing complexity of the business applications and technical environment demand more robust R&D practices to ensure corporate ICT risks are managed and best value achieved. ICT Services need to establish a function to ensure these key pressures are addressed. (2FTE)</p> <p style="text-align: right;">Corporately manage information and ICT sub-total</p>	<p style="text-align: right;">30</p> <p style="text-align: right;">35</p> <p style="text-align: right;">621</p>	<p style="text-align: right;">-5</p>		
<p>2. Develop Information and ICT Competencies</p> <p><u>Upgrade of ICT Services staff skills and competencies</u></p> <p>In addition to basic skills training, more specialist training is required for ICT Services staff. Owing to ICT Services being within HCS until recently and the commercial model operated, allowance for staff training and development has only been possible in a limited number of cases where the client has been willing to pay. Having looked at industry benchmarks we are asking for a one-off budget of approx. £1800 per head</p> <p><u>Corporate Training</u></p> <p>European Computer Driving Licence (ECDL)</p> <p>To provide a corporate budget to enable the take up of this qualification in basic ICT skills, increasing confidence and ability to use IT across the whole Council</p> <p>Other ICT Training</p> <p>To provide a corporate budget to support the development of skills based on the national ICT skills framework, which identifies 56 skills areas, such as business case development, programme management, benefits realisation, business process redesign and procurement</p> <p>Oracle Trainer</p> <p>To provide Oracle training enabling services to maximise the use of their Oracle systems</p> <p style="text-align: right;">Develop Information and ICT Competencies sub-total</p>	<p style="text-align: right;">150</p> <p style="text-align: right;">40</p> <p style="text-align: right;">100</p> <p style="text-align: right;">55</p> <p style="text-align: right;">345</p>	<p style="text-align: right;">-150</p> <p style="text-align: right;">-150</p>		

<p>3. Manage Knowledge Base</p>				
<p>No bid is made under this theme as significant investment has already been made in the establishment of a knowledge management function and the development of the e-Gateway</p>				
<p>4. Manage Security and Confidentiality of Information</p>				
<p><u>Business continuity / disaster recovery</u></p>				
<p>As the Council modernises the way it works using technology, it becomes increasingly essential that the information systems and network are robust and resilient. Business continuity will minimise the downtime of ICT Services and disaster recovery will ensure that when systems do go down, they can be recovered efficiently and effectively.</p>	200	-100	-50	
<p><u>Smart cards</u></p>				
<p>Smart cards are seen as a practical token for identification and authentication, to prove a person's identity before allowing them to access confidential information. It will ensure they only get to see the information to which they are entitled and no other confidential information. This will enable the development of electronic services to support single assessment for older people and supporting people where different agencies needs to share confidential client or financial information. It can be used by staff working flexibly allowing themselves to access confidential files from any location or by citizens to allow them to electronically access their own personal information.</p>	228	21	26	6
<p><u>Security post (linked to Best Value Review)</u></p>				
<p>These costs are in response to the BS7799 security audit highlighting the specific need for an IT information security manager (1FTE). In addition, specialist staff would be required on the helpdesk (1FTE)</p>	65	-5		
<p style="text-align: right;">Manage Security and Confidentiality of Information sub-total</p>	493	-84	-24	6

5. Develop Corporate Solutions				
ICT Services				
Personnel and skills shortage in ICT Services for the following: Oracle support (3FTE); Project management (3FTE); Programme management (2FTE); and annual software recurring revenues (£50k)	303	47		
e-Modernisation				
A review of Geographical Information Systems was recently commissioned through e-Modernisation to develop a corporate GIS approach and this would fund the recommended GIS strategy	200	-69	-6	-45
The Council needs a corporate approach to document management to meet the needs of a wide range of services such as revenues and benefits and planning as well as support electronic record management to enable the Council to meet its responsibilities under the Freedom of Information Act.	670	-290	-130	
With the appointment of a Head of Performance Management, there is a need to invest in a management information system to improve access to key statistics and performance indicators. It is not considered to require significant capital investment but will require some recurring revenue to fund a support post and ongoing system costs	50			
Develop Corporate Solutions sub-total	1,223	-312	-136	-45
6. Ensure Continuity of ICT Services				
Upgrade ICT Services Customer service function				
The ICT customer service function is understaffed and lacking system support to provide the service required today. This was highlighted by the Gartner Report commissioned as part of the Best Value Review and this investment is based on their recommendations. Looking forward, with the demands around improvements in service and efficiency savings, lack of funding to upgrade the infrastructure will lead to a reduction in both service levels and efficiencies.	120	-80		
ICT Services Extended Support				
Option 1 - 24/7 support provided by three shifts	930	-25	155	40
Option 2 - Extended working from 7 am to 10 pm, provided by two shifts and excluding call out charges	450		50	
ICT support for Flexible working (6FTE)	200	-55		
Ensure Continuity of ICT Services sub-total (Option 1)	1,250	-160	155	40
Ensure Continuity of ICT Services sub-total (Option 2)	770	-135	50	50
Total ICT/eModernisation (Option 1 for extended working)	3,932	-711	-5	1
Total ICT/eModernisation (Option 2 for extended working)	3,452	-686	-110	-39

SUMMARY				
Total INFO	80	60	20	
Total ICT Services (Option 1 for extended working)	2,219	-273	155	40
Total ICT Services (Option 2 for extended working)	1,739	-248	50	0
Total e-Modernisation	1,713	-438	-160	-39
TOTAL POLICY & COMMUNITY with Option 1	4,012	-651	15	1
TOTAL POLICY & COMMUNITY with Option 2	3,532	-626	-90	-39
Capital Monies needed to support revenue bid				
Technical Infrastructure Technical Infrastructure. The current network infrastructure is inadequate. Patching around the edges to keep it operational is taking an increasing amount of time and resources with little or no medium term gain. With all the e-modernisation infrastructure that will be required a major overhaul is required or business continuity cannot be guaranteed.	1,900	1,500	1,500	1,500
Document Management This is a crude estimate of the capital costs needed to put into place a corporate approach to document management	250			
Smart Cards This is the capital cost required to put into place an infrastructure to issue and manage smart cards	395	335	135	135
Total ICT capital bid	2,545	1,835	1,635	1,635