

## MUNICIPAL YEAR 2015/2016 REPORT NO. 177

### MEETING TITLE AND DATE:

**Cabinet – 10<sup>th</sup> February  
2016**

### REPORT OF:

Director of Finance,  
Resources and Customers  
Services

**Agenda – Part: 1**

**Item: 12**

**Subject: IT Delivery**

**Wards: All**

**Key Decision No: U195/KD4263**

**Cabinet Member consulted: Cllr Taylor,  
Cllr Stafford and Cllr Georgiou**

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### 1. EXECUTIVE SUMMARY

- 1.1 The council has long maintained a 'mixed economy' approach to its Information Technology (IT) provision. This model means that the council has worked with a wide range of software providers for its line of business systems (for example OLM provide our Adult Social Care System and Microsoft our core business suite of software) and retained a mix of in-house staff known as Corporate IT (CIT).
- 1.2 From 1999, this approach served the council well through a period of time where there was incremental change in the underlying technologies that support and enable public sector IT delivery. However, since 2014 there has been rapid development across public sector technology typified by the increase in mobile friendly technologies and secure, scalable cloud based data centres.
- 1.3 To help respond to these changes, the council adopted the nationally recognised Service Integration and Management (SIAM) model to delivery of IT, where end to end delivery responsibility is transitioned to one organisation who co-ordinate and deliver the required outcomes in the most cost efficient way. This was achieved by a renegotiation of the previous Serco contract and was approved by Cabinet on 12 February 2014.
- 1.4 This paper recommends the retention of the SIAM model of delivery for the needs of Enfield Council.
- 1.5 The council has made significant progress with the delivery of Enfield 2017, as noted by Cabinet in November 2015. The revised IT is working well and further enhancements will be deployed over the coming weeks.
- 1.6 In order to build on this development, and to seek to commercialise its investment in Enfield 2017, Cabinet note that officers will be registering a council owned IT company. Whilst the creation of the company is now timely, it will not commence trading until approval, at a future cabinet, of the appropriate business case.

## **2. RECOMMENDATIONS**

- 2.1 That Cabinet approve the retention of a mixed model of IT delivery with a range of providers for its IT Service, based on the principles of the nationally recognised SIAM model.
- 2.2 That Cabinet approve the registration of a company, wholly owned by Enfield Council, to further develop, support and commercialise the Enfield 2017 offer. Further details regarding the exact make up and governance model for the company will be brought to a future cabinet, along with a full business case. This will be undertaken prior to the commencement of trading activity by the company.

## **3. BACKGROUND**

- 3.1 Since 1999 the council has had a mixed model of IT delivery, with some functions delivered in house, some by external partners and some via individual suppliers.
- 3.2 This model developed overtime, and in February 2014 the council and Serco agreed a move to a SIAM model. This approach was identified as best practice by government and reflected the increasing pace of change across the IT landscape.
- 3.3 A key element of the SIAM model is that it is designed to be flexible and responsive to change and since its adoption, the council has been able to introduce innovations such as a regular staff presence across all major sites (as opposed to just the Civic Centre) and move to the cloud based Office365 software package, delivering considerable savings and also increasing the range of core office software available to staff.
- 3.4 Serco have been integral to the success of the councils Enfield 2017 programme and in the identification, negotiation and delivery of many of the current savings that have been achieved across the IT service.
- 3.5 As reported to Cabinet on 18<sup>th</sup> November 2015, Enfield 2017 has made significant progress in relation to its digital development and associated structural changes and has done so within budget. The IT delivery has also been achieved in a shorter timescale than was originally predicted.
- 3.6 Further functionality will be added to the Enfield 2017 platform in the coming weeks, which will further increase the number of services available online to residents, in line with the Strategic Transformation Board agreed timelines.
- 3.7 Whilst there can be no guarantees of commercial success, especially in the technology field, should there be market interest in the Enfield 2017 products and digital platform, the council would need to move quickly to respond to these opportunities when they arose. Consequently, it is timely to register a wholly owned IT company that could, should the opportunity

arise, commercialise Enfield 2017 IT developments and also provide ongoing development and service desk support across the range of software that the Enfield 2017 products use and interface with.

- 3.8 The creation of an IT company, as with other Enfield companies, will allow greater flexibility within a public sector owned and directed model. It will also provide clarity for the partners that Enfield 2017 has worked with. Whilst much of the digital platform is unique and the intellectual property and code is owned by Enfield Council, other aspects exploit third party software and code and relationships with these providers will be clearer and more easily defined under a company based model than a direct provision model by the Council.
- 3.9 Consequently, officers will now undertake the work necessary to register an Enfield Council IT company. The company will not commence trading until Cabinet have approved a subsequent business based on the broad aims of 3.7 and 3.8, however the final offer and mix of services will be determined by the business case and subsequent Cabinet approvals.
- 3.10 It is important to emphasise that the Enfield 2017 digital development will need to continue to evolve as technology and service delivery models require and the recommendations within this report are designed to ensure this occurs in the most robust and cost effective environment for the Council.
- 3.11 A further example of a technology that has rapidly emerged within the customer services area is the cognitive based 'Artificial Intelligence' software that can automatically manage and respond to telephony and web based enquiries. Officers from the council have had preliminary conversations with providers of such products, given their capacity to further reduce costs whilst increasing the range of services and information that can be accessed by resident and at time and via the method that best suites them. It is hoped further progress in this area will be made over the coming months.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 To cease the model of SIAM based delivery for IT. This would not be best practice. The retention of a mixed model of provision, which utilises a blend of in house and external resources, is clearly beneficial. The development of key relationships with major partners such of Microsoft is clearly beneficial to the council.
- 4.2 To wait before registering an IT company to commercialise Enfield 2017 developed code and integration. Registering the company does not force the council to accept any commercial opportunities, but it does allow it to position itself so that it could take advantage of an opportunity should one arise in line with previous Cabinet requests. It will also allow the council to create the most mutually beneficial and supportive models of partnership where Enfield 2017 relies on code or products that are not owned by the council and will simplify licensing and development arrangements. The inclusion of a development and service desk

capability would ensure that the council, and any future customers, benefit from an economy of scale and minimise duplication of effort.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 To ensure the council maximises the security and availability of its core IT systems, whilst maximising value for money.
- 5.2 To ensure that the council retains access to a skilled and knowledgeable IT service that is able to respond quickly, and appropriately, to the rapidly changing IT landscape.
- 5.3 To ensure that the council is able to respond to any opportunity to commercially benefit from the Enfield 2017 programme as previously identified by Cabinet.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### 6.1 Financial Implications

- 6.1.1 The cost of the registration of an IT company will be met from within the IT budget.

### 6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 (“LGA”) gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions and the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The proposals set out in this report are consistent with this power.

- 6.2.3 The Council shall ensure that guidance is sought from its Legal department and that all contractual/associated documentation shall be in accordance with the Council’s Constitution, its Contract Procedure Rules and shall be in a form approved by the Assistant Director of Legal and Governance.

### 6.3 Property Implications

- 6.3.1 None.

## **7. KEY RISKS**

- 7.1 To ensure the IT delivery does not stagnate, the Head of IT will ensure that the council’s on-going SIAM based delivery model retains a mixed model of provision utilising council staff and a range of external providers.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for all**

8.1.1 Nothing in this report affects the council's commitment to treat everyone fairly and equally.

### **8.2 Growth and Sustainability**

8.2.1 This report will not impact on the council's ability to support growth. However, it should be noted that cloud based IT solutions are more sustainable than traditional models of IT delivery.

### **8.3 Strong Communities**

8.3.1 The recommendations across this report, and its accompanying part two report, will enhance support for Enfield 2017 and the benefits it brings to communities across Enfield.

## **9 EQUALITIES IMPACT IMPLICATIONS**

9.1 Any IT company created by the council will need to operate in a manner that reflects the council's equality and employment policies.

## **10 PERFORMANCE MANAGEMENT IMPLICATIONS**

10.1 A new performance framework for IT will be agreed by CMB in April 2016.

## **11 HEALTH AND SAFETY IMPLICATIONS**

11.1 It will be important for any IT company set up by the council to operate in a compliant manner with the council's health and safety policies.

## **12 HR IMPLICATIONS**

12.1 None.

## **13 PUBLIC HEALTH IMPLICATIONS**

13.1 None.

## **Background Papers**

None.