Savings Proposal

On-going Restructuring of the ICT Service and Capitalisation of ICT Capital Programme Activity

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1.0 Description of Savings Proposal

A reduction of £317,000 from the ICT Revenue Budget will be achieved through three approaches:

1. Reductions in spend on ICT contracts with third party suppliers;
2. The capitalisation of costs directly related to the delivery of new ICT solutions;
3. Alternative and more cost effective approaches for the provision of ICT support.

ICT have a number of contracts with third party suppliers for the provision of ICT services and ICT support and maintenance. All such contracts are actively managed with improved terms and conditions negotiated to ensure value for money is obtained. During 2015/16 a number of significant ICT contracts with 3 to 5 year duration are due for renewal and market research has identified that significant savings can be achieved. It is anticipated these savings will offset any significant impact on ICT support staffing levels and the subsequent impact on service standards. A number of significant new ICT solutions are planned to be delivered during financial years 2015/16 and 2016/17 allowing for the capitalisation of staff time. It is anticipated the level of investment for ICT solutions in subsequent years will be significantly less than in 2015/16 and 2016/17. Consequently changes in service standards may need to be considered to achieve the required savings in future years.

Service standards and internal Service Level Agreements (SLAs) will be reviewed prior to the introduction of alternative approaches for delivering the required ICT support services e.g. greater use of self-service and adoption of cloud services. Service users will be consulted to assess any potential impact on service before any changes to the level of ICT support are implemented.

2.0 Table Setting out Financial Proposal
2.1 Total base budget savings

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<thead>
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<th>Year</th>
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<tr>
<td>2014/15</td>
<td>2015/16</td>
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Total base budget savings: 0 317 0 0 0 317

2.2 Staffing Implications

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<td>2014/15</td>
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Total base budget savings: 0.0 10.0 0.0 0.0 0.0 10.0

3.0 Communications Strategy Implications
3.1 The Communications Strategy Implications of this proposal are minimal.

4.0 Corporate Landlord Implications
4.1 The Corporate Landlord Implications of this proposal are none or minimal.

5.0 Customer Implications
5.1 The implications for internal customers of this proposal represent some risk. Internal customers of the ICT service will be impacted by any reduction in service standards, with potentially longer resolution times for ICT problems and longer delivery times for requests for new work. A reduction in service standards to internal customers may have a consequential impact on the delivery of council services to external customers.

6.0 Economic Implications
6.1 The Economic Implications of this proposal are none or minimal.

7.0 Environmental Implications
7.1 The Environmental Implications of this proposal are minimal.

8.0 Equality Implications
8.1 All proposals will be assessed to determine if there are potential equality implications. Where appropriate, an equality analysis screening will be undertaken. Where this indicates that implications may exist, a full equality analysis will be completed.

9.0 Financial Implications
9.1 The Financial Implications in terms of savings and investments are as described in the proposal above. Savings resulting from the reduction in ICT support standards and the capitalisation of time spent on delivering new ICT solutions will deliver a reduction of £317,000 to the ICT Revenue budget.

10.0 Health Implications
10.1 The Health Implications of this proposal are minimal.

11.0 Legal Implications
11.1 The Legal Implications of this proposal are minimal.

12.0 Policy Implications
12.1 The Policy & Corporate Plan Implications on agreed Council policy are minimal.

13.0 Procurement Implications
13.1 There are likely to be procurement implications arising from this proposal. These will be taken forward by procurement leads to ensure that they comply with procurement good practice and legislation.

14.0 Staffing Implications
14.1 The HR Implications of this proposal represent some risk. A reduction in the level of ICT support standards will have a direct impact on the number of ICT staff required to deliver the support service. A reduction in the levels of staffing is anticipated, some of which may be achieved through natural turnover and voluntary redundancy. To achieve the proposed savings some compulsory redundancies may be necessary. Any redundancies will need to be agreed following consultation with staff, trade unions and Councillors. Following consultation it may be deemed the reduction in staff levels may not be achievable.