⊖ Hackney

REPORT OF THE GOVERNANCE AND RESOURCES SCRUTINY COMMISSION		
ICT Governance and Resources Scrutiny Commission 14 July 2014	**Classification** **Public**	**Enclosures** **None**

1. FINDINGS AND RECOMMENDATIONS

Cost savings

1.1. On [18th January 2011](#)[1] Cabinet Procurement Committee agreed a recommendation to adopt both insourcing and outsourcing arrangements for ICT support service provision. When this recommendation was agreed the accompanying report explained that "the proposed option cost is projected to save the Council £479k per annum on current contract costs." This was against a Grand Total annual spend on the contracted support services of £4.1m.

1.2. A report submitted to the Commission on [12th November 2013](#)[2] outlined general fund savings made across the Council from 2011/12 to 2013/14. Regarding the ICT Support Service there are separate entries for the first two years relating to the contract savings specifically.

2011/12

Savings from Sungard procurement bought in house	£20k
Savings from reduction in Sungard out of hours services	£150k

2012/13

Savings from in-sourcing contract and reduction of staff in the support team	£350k
Savings from in-sourcing contract and reduction of staff in the support team	£150k

1.3. The total of these 4 items is £670k, which is £191k above the projected savings of £479k. The same report from 12th November 2013 indicated that

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[1] http://mginternet.hackney.gov.uk/ieListDocuments.aspx?CId=113&MID=1110#AI8383
[2] http://mginternet.hackney.gov.uk/documents/s33594/ITEM7_generalFundSavings_grsc.pdf

further savings of £800k were identified for 2013/14 arising from implementation of the new ICT Support Service delivery model. This would bring the total savings from the previous contract of £4.1m to £1.47m. This would be an achievement far greater than the original estimate of £479k, but perhaps also in line with the scale of the overall financial challenge facing the authority as identified through many recent meetings of the Commission.

Performance

1.4. Corporate ICT subscribe to the London benchmarking service run by the Society for Information Technology and Communications Managers (SOCITM) which uses data from a detailed questionnaire completed by all participants and covering organisation; staffing; finance and ICT service delivery. The Commission received benchmarking data from 2011, the last time this was reported to the Council by SOCITM.

1.5. The following table summarises our financial performance against a range of the cost efficiency KPIs from the 2011 benchmark.

KPI	Description	Highest	Lowest	Median	Hackney
KPI 4	Acquisition cost per PC (i)	£859	£394	£562	£563
	Acquisition cost per laptop (i)	£1016	£472	£611	£760
KPI 18	TCO per PC per annum (ii)	£664	£314	£413	£500
	TCO per laptop per annum (ii)	£613	£324	£432	£539
KPI 17	Cost per converged network connection (iii)	£306	£165	£195	£174
	Total cost of network per user (iv)	£596	£164	£292	£257
	% revenue budget spent on ICT	3.41%	1.02%	2.16%	2.16%
KPI 15	Weighted index of availability (v)	96	54	81	88

Notes:

i. Equipment cost plus procurement, plus installation

ii. Total Cost of Ownership: 20% of initial acquisition cost + support cost + cost of connection to the network

iii. Voice-over-IP sites, such as the main Hackney Campus, including capital investment. (8 reporting participants).

iv. Costs for voice, data and converged networks

v. Calculated from data for availability of whole network/part network/email, internet, finance, personnel/payroll and website

1.6. According to the performance data, since the service had been taken back in house, telephone response times for ICT Support been considerably lower

than hoped, at around 65% of calls answered within 30 seconds against a target of 95%. This was attributed to three factors: firstly, Capita (the previous, external supplier of ICT Support) operated an "overflow" system where if all local agents were busy, the call would be passed through to its shared service desk facility to be answered; secondly, the in-sourced service put greater emphasis on a first-time fix; and thirdly, the number of calls coming through to the Service Desk increased by almost 20% with the integration of the Telephone Services and Hackney Homes Service Desks. The average number of incidents and service requests increased from around 5300 per month in 2011/12 to over 6500 per month over the following year.

1.7.   The Commission was informed that the key to improving performance without increasing resources (and therefore costs) was to reduce the number of calls coming through to the Service Desk in the first instance. The Socitm London benchmark for 2011/12 showed Hackney to have the highest number of calls logged per user/per year at 13.5 and, as noted above, this figure has been rising. What was most concerning to the Service was that the median figure for London was 5.8 per person, and the next highest to Hackney was 8.6.

1.8.   As part of the in-sourcing restructure process the Service assessed the technical competency of ICT Support staff and the Commission was pleased to learn that plans were in place to raise the standard, and aim to recruit staff who were above Hackney's minimum competency levels.

1.9.   More recently, an ICT Staff Satisfaction Survey[3] was carried out in Autumn 2013 and the responses presented a number of challenges to the ICT support serrvice in terms of performance. Comments about this service from staff focused on the length of time to get through to the Service Desk and the increased times taken for problems to be resolved:

"It is often very difficult to get through to ICT staff. And they are often unable to resolve the query at the first point of contact. Sometimes the calls logged are closed even though the issue has not been resolved, this results in having to raise the same issue again. It might help to increase the ICT team's call resolution number but it is not the true picture as 3-4 calls might be linked with the same issue. It is not efficient use of time and resources."

1.10.   In a report to the Commission the ICT Service acknowledged that it had concentrated on projects to improve residents' experience over that of staff since the Hackney Service Centre opened in 2009/10. In addition, it was reported that centralising local ICT Units (including Hackney Homes) had resulted in changes to working practices that may have left staff in directorates feeling that working relationships with ICT had deteriorated and that ICT staff no longer held the depth of "business" knowledge they had previously.

1.11.   The Staff Satisfaction Survey results also indicated dissatisfaction with how major corporate projects were designed and implemented for general ICT

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[3] http://mginternet.hackney.gov.uk/mgAi.aspx?ID=18078

uses. One example of this was in response to the Council Document Management (CDM) system:

"The systems we use are generally ok but they appear to have zero usability experience testing. Take CDM for example; everyone likes to moan about it but I think it's an excellent idea and know several colleagues who have left and miss the idea of it in their new organisations. It's just such a complete dog to use - and I don't mean reliability, which again is generally ok. Software developers and buyers seem to think that design is about "look and feel" but it's not, it's about how a piece of software works in the interest of its users. CDM, and most of our other service-based software lacks any design whatsoever and there appears to be no thought given to how people would want to use it. We fit around an off-the-shelf product rather that it being designed for human use, based on an analysis of what people tend to do. Why not make this sort of software a joy for people to use - why not have them bragging about it to colleagues in other authorities - think how much hassle, moaning and time-wasting it would save. Invest in UX [user experience] Design please!"

1.12. Furthermore there were examples of staff frustration with the overall performance of various networks and systems that are used. This was found to be a cause of particular concern to staff at a time when the need to make unprecedented financial savings had reduced the number of establishment posts and accelerated the need for effective IT solutions that can release capacity:

"The IT system is very slow, productivity is reduced significantly. It causes additional stress and frustration to a workforce that are being asked to do more and more. We could possibly do more if we could do it quicker! We also need to be proactive with IT and utilise the benefits it can bring to the organisation, ie Social Workers going out with tablets/ipads that connect to the network, Minutes being typed directly onto laptops in meetings, webinars instead of meetings. There are lots of benefits that should be explored."

1.13. In response to the Commission's findings about staff perceptions of performance, it can be shown that "uptime" of key systems within the Council is relatively high. Against a performance indicator of 99.5% availability, benchmarked applications performed as follows in 2012/13:

- Human Resources / Payroll: 100%
- Website: 99.99%
- Revenues and Benefits: 92.03%
- Housing: 99.78%
- Social Care (children's and adults): 99.88%
- Customer Relationship Management: 99.87%
- Planning: 99.98%

1.14. The Commission did, however, question the value of these measures as it is not clear that "uptime" represents a full picture of performance. For example,

a system may be "up" 99.99% of the time but this says nothing about how fast or slow it is, or what problems it might contain. The Commission was pleased to learn that the ICT Support Service was taking steps to improve performance overall, including setting high standards for staff competence and helping staff to manage IT Support needs locally where possible.

ICT Strategy and Communications

1.15. The most recent Corporate ICT Strategy came to an end in 2011 and it has not been replaced since. The intended future approach following the end of this strategy was that future developments would be picked-up in Directorate and Divisional business strategies, for example there is an ICT Strategy for the Children and Young People's Directorate. However, the Commission learned that most individual Council services have not been in a strong enough position to do this to date, so there may be a need for a further Corporate ICT Strategy focused on business foresight and planning.

1.16. The ICT Service now has three Business Relationship Managers in post whose role is to be the main link for business areas, both to work with managers and staff to prioritise and develop their ICT strategies, and to act as an escalation point when things go wrong.

1.17. At a corporate level, the ICT Service has a clear view of steps that need to be taken in the medium-term. This includes upgrading the core operating system and desktop software suite for most staff; most of whom are currently using Windows XP and Office 2002 products. The Commission noted that this software is now at least 12 years old and many staff joining the Council have had to de-skill in order to use it.

1.18. The medium-term changes and upgrades planned to the Corporate ICT suite include:

- Relaunch the Virtual Desktop Interface (VDI)

- Upgrade Windows on Council desktops

- Upgrade the Council Document Management (CDM) system

- Upgrade Microsoft Office

1.19. The Commission learned that these changes have in part been dependent on upgrading the CDM system. CDM is integral to most line-of-business applications so certainty was required about it's ability to handle upgrades to the Windows platform, Office suite, and related products before any change could be made. This raises some questions for the Commission, including the extent to which future-proofing of the CDM System was built-into the original contract.

1.20. The Commission also understands that the set of upgrades listed at 2.18 above is being delivered in order to upgrade Windows and Office by the end

of 2014, and that a further decision point regarding the next steps for a document management system will be taken by the end of 2015. Whilst the Commission recognises the pressing need to upgrade Windows and Office, and applauds the Service for doing this, it is worth noting that should the decision at the end of 2015 be to adopt an altogether different approach, the 2014/15 upgrade could have been an expensive and short-term upheaval. In light of this concern the Commission questions why the Service isn't simply working towards the best option immediately, in 2014.

1.21. The Commission recognises that a Corporate Board has been established to lead and inform the future development of the proposed upgrade programme. This Board is being Chaired by the Assistant Director for Revenue and Benefits.

Hillingdon and Google

1.22. The Commission visited Hillingdon in February 2014 to learn about their experiencing of moving to a cloud-based platform, provided by Google, as their main ICT desktop approach. It is important to be clear that Hillingdon initiated this project in 2011 at a time when it's entire ICT infrastructure needed refreshing and some key contracts were coming to an end; Hackney is not at that point for its key contracts nor infrastructure at present. For example, Hackney's current Microsoft Enterprise agreement runs until 2016; the Council has also developed a comprehensive document management system, which is integrated with its key line of business applications, unlike Hillingdon which retains separate server arrangements for the majority of its line of business systems, which are being steadily migrated to the cloud in phases.

1.23. With these important caveats in mind, the Commission was impressed with the progress that Hillingdon had made and some of the assumptions it had dispelled about the skills and appetite of staff to adopt new technology that is designed for their everyday use. The organisational benefits were very impressive and clear to see.

1.24. Hillingdon was in the second phase of this change programme (it was specifically a 'change' programme and not an 'ICT' programme). The first phase had involved migrating staff onto Google accounts and adopting its suite of core software such as Googlemail, Google Calendars and Google Drive. The latter is effectively Google's Office suite and offers innovations such as real-time collaboration on documents by up to 15 staff.

1.25. A key benefit of the above was the effect that even just this desktop move had on staff. To implement this change the Council had needed to deliver virtually no training; staff loved the system and many were already familiar with it from outside of work. This was contrary to any assumption that local authority staff would lack the skills or motivation to adopt new technologies.

1.26. The speed of use and recall of information was particularly notable, for example staff didn't have to think about where to store documents in a

complicated taxonomical file structure but could just search for anything they saved using Google's powerful search function (there was an option to create folders and use tags if users wished). Staff were also finding and creating new ways to collaborate online, and increasing their organisational efficiency as a result.

1.27. There were other related benefits too including saving £3m on licenses and system administration, automatic software upgrades, and interoperability regardless of hardware (as it only required access through the Chrome browser).

1.28. The Commission recognised, however, that such a cloud-based approach was not without risks. There were questions about security and access to the Public Service Network, however Hillingdon and the Government were at relative ease on the security issue. The Borough had hosted representatives from Government and GCHQ who had observe and questioned what they were planning and had no objections. Hillingdon administers approximately £170m of benefits every year and its access to DWP data was routed a different way to much of the other information on their network. It was explained that security concerns were largely removed from the network and instead were focused on devices and the end user. End user security awareness was being addressed by guidance and some software solutions that prevented restricted information from being shared.

1.29. A key difference from Hackney was that Hillingdon did not have a fully developed Document Management System which stored data for the key line of business applications. In Hackney, documents and information from different areas of business are stored in one big pot known as CDM. Hackney launched this system in 2007 and creates approximately 7,000 documents per day in it. Hillingdon had created about 100,000 documents in the cloud to date, which represented about 2 weeks work for Hackney. However, it is probably fair to assume that the quantity of documents created and saved isn't really an issue for a company the size of Google, however a higher number may affect the current storage costs.

1.30. Phase 2 of Hillingdon's programme was to gradually migrate its data storage into the cloud whilst at the same time introducing more Google applications like maps. Hillingdon provided some examples where local system providers claimed they weren't able to integrate with a cloud or Google's system. When re-tendering this local system none of the main suppliers made a bid because they claimed it wasn't possible. As a result, Hillingdon called all the leading market players in to the Council, sat them down with their system and someone from Google who showed them in 15 minutes how easy it was, and now it's done.

1.31. Hackney is clearly in a very different place from where Hillingdon was in 2011. Hackney has a full Document Management System that is integrated with most of its line of business applications. Any proposal to unpick this integration would be likely to incur excessive up-front costs and major service disruption as it would mean moving line of business applications off of CDM and onto a cloud-based platform in phases. There would no doubt be many

other complications in making such a change if there were interest in Hackney but the cost and complexity of running dual systems during any change period would likely be considerable. However, the levels of motivation and satisfaction in Hillingdon were such that the Commission is minded to suggest that a move in this direction merits exploration at the appropriate stage.

Recommendation 1

The absence of a Corporate ICT Strategy for the Council has led to ground being lost in taking advantage of new technologies. It is also clear from the ICT customer survey that staff satisfaction is low. Setting a clear direction for the future that puts the interests, effectiveness, skills and satisfaction of staff first would be a bold and positive step to take and one that this Commission would fully support.

The Council does, however, a medium-term plan for upgrading key corporate ICT platforms and software. It is important to share the core components of the associated activity plan, and involve as many staff as possible in its design and implementation.

- The Commission recommends that clear, consistent and ongoing messages are provided to staff about the upgrade proposals.

- Governance arrangements for the Corporate Board include scope for specific project teams and staff workshops. It is vital that these are used extensively to inform the "user experience design" of future products. If software and systems are not designed in a way that makes people want to use them, that is a major reason why they don't work or don't appear to work well.

- That at an appropriate future point the Council should explore fully the possibility of moving to a more modern desktop and storage platform, learning fully the lessons from Hillingdon's recent experience.

Innovation, horizon scanning and new digital technology

Internal examples

Virtual Parking Permits

1.32. During the course of this review the Commission heard twice from Cabinet Members and Officers working to improve the way that parking permits are sold to residents and monitored by the Council. This project was indicative of many of the things Hackney has aimed to improve through better use of ICT. The aim of the parking permits improvement programme has been to make the system easy to use for customers. New web pages have been launched to simplify the process of obtaining a permit online, including a reduction in the requirement for documentation.

1.33. The Council also intends to introduce virtual permits across the borough during 2015, and public confidence in use of the online system is growing.

This was due in large part to the system being more stable, as demonstrated by statistics shared with the Commission: 85% of permits and vouchers were delivered to customers within 3 days and all were delivered in under 5 days, from a previous average of 10 days. Whilst there have been significant problems with this process in the past, the Commission was pleased to note that progress was being made, and was being led by the service area itself.

Civica APPs – Connecting Commercial Waste and Waste Enforcement

1.34. A further example of local service innovation using ICT and new technology was seen in the Waste Operations service. In 2013 this project one a UK IT Industry Award for demonstrating the most effective use of collaborative technology, which was achieved by creating a unified Waste Management and Environmental Enforcement system across multiple council service areas. To achieve this required developing an understanding of how hundreds of separate information systems and processes could be brought together into a single, manageable management information system. Its objectives were to simplify and rationalise a host of separately maintained and supported files and systems that had a significant risk and operational efficiency overhead.

1.35. Officers spent time with suppliers early in the procurement process understanding how they could create a specification for their ambitions. This dialogue created a point of understanding regarding what was possible to achieve and what was an unrealistic expectation. In total there were three lead officers from the service side and one advisor from ICT's E-business team. The Commission was informed that no additional resources were available for development nor delivery of this project system, neither from the service area nor ICT. One important lesson learnt in this regard was that the more time could be spent on identifying requirements upfront, the better.

1.36. By testing the current boundaries of both operational processes and software system functionality the supplier (Civica) and Hackney staff were able to deliver against what was a hugely complex set of requirements spanning multiple services and were able to bring key staff into the expectation setting. These super users would go on to become an integral part of the systems on-going success within the Council. By not being constrained by 'how we always do it' thinking, the two organisations were able to deliver against an ambitious project that, at the start of the process, would have been considered impossible using a single database across such a broad remit as Waste Management, Environmental Enforcement and Licensing services.

1.37. The Commission learned that as a result of delivering this project, the Council was able to eliminate its admin backlog and was able to deliver a streamlined service during the London 2012 Olympics. A key saving was the integration of the recycling services into the project meaning that the system was able to support workflow and reporting. There was no prospect of the opportunity cost not being realised from investing in the system but it was not possible to put a pound sign on its potential at the outset.

1.38.   In that sense it was a bold decision for the Council's Cabinet Procurement Committee to take. Cllr Demirci, lead Cabinet Member for the service area, noted that although it was hard to attribute savings directly to the product it had undoubtedly led to a better service with fewer complaints and better relationships with businesses. For example, the time it took to process a Commercial Waste contract had reduced from 10 days to 2 days.

1.39.   Implementing the new system also improved the speed and accuracy of reporting for officers, with no need to use spreadsheets and over 600 hours of officers time freed up per annum. The sharing of information on the system with other enforcement areas including Environmental Health and Trading Standards has brought better business intelligence to the service too. This project demonstrated how collaborative working, with good structures, well set expectations and staff buy-in at every stakeholder level could deliver against an ambitious and challenging objective.

1.40.   There is also a lot of future scope for further, innovative use of the system in future.

- The next step is for mobile apps to be rolled-out so that crews can enter data onto the system automatically. There is not a big training need here as staff are already very familiar with tablets and smart phones

- The data produced by the system could, in future, be used to model predictive work and inform strategic decisions

- There is the potential to display data by ward and no reason why there couldn't be a public API.

- By removing 'dual keying' onto the system, back office staff can switch from data entry roles to data analysis.

External examples

FutureGov and Surrey County Council

1.41.   FutureGov[4] is an organisation that "works with local authorities to make better public services through the use of elegantly designed technology". It had started with teaching Councillors how to make best use of social media and since then it had moved on to bigger projects such as client information management in Social Care and rethinking how Councils used ICT to build social capital and design services with citizens.

1.42.   The Council met with FutureGov's Founder and Director, Dominic Campbell, who explained that the company is structured in two parts – 'research and development' and 'projects'. An example project was Patchwork which was being introduced in Staffordshire and Australia. This piece of simple software asked what the relationships were between different professionals who worked with an individual. It used social networking approaches rather than, for example, a huge ICT "spine" that knew everything. Instead it leveraged

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[4] Web site: http://wearefuturegov.com

the power of social networks in connecting practitioner-to-practitioner. 48 organisations were connected to Patchwork across Staffordshire.

1.43. Another example was Casserole Club which helped people to cook for each other based on a desire to reinvent traditional "meals on wheels". This service looked to connect people through matchmaking in a neighbourhood. It was being used already in Surrey, Tower Hamlets, and Barnet. Finding diners was difficult as they were not always online but connections could always be made through local community networks.

1.44. FutureGov is also involved in embedding innovation internally within local authorities. An example of this is the Shift Surrey project (see below) whereby the County Council had created 4 Google-style rooms in its Town Hall to develop new approaches to service design with a bias towards digital solutions.

Shift Surrey

1.45. A report[5] agreed by Surrey County Council's Cabinet in November 2012 led to the establishment of an innovation unit within County Hall known as Shift Surrey. This was as a visually and conceptually new approach to service design and change; an important part of which included taking advantage of the opportunities afforded by digital technology and making this an inherent part of the service design process.

1.46. Surrey's Leader and Chief Executive had looked at the County's previous approaches to Change Management and found that whilst the authority was good at change, a fundamental redesign would be needed for many services that should be focused around users and making the most of digital technology. A short review of the previous 3 years of change projects revealed 2-3 stand-out examples that incorporated fundamental co-design with service users, enabled by technology. The future strategic approach was set-out to use innovation as a key tool for coping with reduced levels of funding.

1.47. The County had worked with FutureGov in the past but these collaborations had not led to any firm changes within the organisation. The November 2012 report to Cabinet set out to change this, looking for large-scale culture change, leadership, and openness to risk. "Shift" emerged as means to deliver this with a role to act as a catalyst and accelerator for change within the organisation. It has been designed to connect physically to the existing service areas and has a remit to mentally challenge the status quo.

1.48. Introducing a project of this nature has not been without problems. In some areas there was a degree of cynicism about the space provided and its deliberate focus on "design". However, Shift was not aiming to replace existing ideas about change but rather to help them grow. It was noted that

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[5] http://mycouncil.surreycc.gov.uk/documents/s1583/item 08 - Innovation.pdf

being a small team enabled ideas for innovation to be tested and to fail – the term used for this was "sustainable failure".

1.49.   Features of the approach pertaining to ICT and technology included:

- not writing detailed specification documents nor approaching major suppliers on government procurement frameworks

- focusing on the possibilities of light-weight web-based applications that connected to existing systems

- partnering with an organisation FutureGov which enabled the team to build digital tools themselves

1.50.   Examples of projects that the Shift team were working on included: care pathway planning and enabling the social capital model for adults; patchwork (connecting different professionals around children's social care clients) and casserole club (a community approach to meals on wheels).   The environmental services team had really embraced the approach and had got on with it themselves without much input from the Shift Team.   Groups of Foster Carers had also used the space and a hack day had been held on the premises with local young people and tech organisations.

1.51.   The Shift team comprised 6 full-time equivalent staff from corporate policy and change programme roles.   A further group of service designers and developers were available on call from FutureGov.   The two Directors of FutureGov also had a role to challenge and push the Council and interact with senior leaders on that basis.

1.52.   Service teams were involved in different ways depending on the project and level of need.   For example there was already a substantial programme running for Adult Social Care and Shift was running some specific work alongside this.

1.53.   On the question of funding it was explained that Shift had been asked to connect to the most pressing problems.   Shift needed to pay its way but the Commission was told that an explicit approach to 'return on investment' would not necessarily help in developing relationships with other service areas. Where they were working alongside existing projects it was also not straightforward to put a value the return offered by input from the Shift team. Tracking of return on investment was light touch at present.

1.54.   There was also no formal evaluation mechanism but there were six monthly check-ins with the leadership.   Work blocks were signed-off at these stages with Cabinet and a "lessons learned" session was held after the first six months.   At this stage the Council Leader presented a report to the Council commending the approach and recommended that Shift receive core funding of £0.6m through to 2016/17 using invest to save funding.

Recommendation 2

There is a connection between the experiment taking place in Surrey County Council and the lessons learned from Hackney's award-winning Waste project with Civica.

Staff involved with the Hackney project told the Commission that the project would have benefited from key staff being removed temporarily from their day jobs at the outset, enabling the service requirements and design to be explored fully. It was explained that this would have led to a better outcome more quickly. This early part of the process is, in many ways, similar to what the Shift project offers to a range of services in Surrey. The Surrey example also has the advantages of being physically removed and different from mainstream service areas, with staff trained in service design techniques and the option for external challenge and advice built-in.

- The Commission is aware that an initial set of service improvement groups have been established for four specific areas, and welcomes this move.   The Commission recommends that the approach is developed further, using lessons from Surrey, so that services looking to redesign their delivery model, with potential input of digital technology, can benefit from the early input of change experts and external challenge, as well as colleagues from across the Council.

- The Commission wishes to emphasise the the importance of involving staff and service users in the design of services, including digital and technological solutions.

- The Commission recommends that the Council establish a Digital Advisory Board, comprising local experts from Tech City and other relevant sectors, who could advise the Council on new developments and future strategy. The model for this Board would be the Education Advisory Group which had proved successful at fulfilling a similar role for the Hackney Learning Trust.

Mastodon C and New York City Council

1.55.   Members of the Commission met with Francine Bennett, Chief Executive of Mastodon C, which is a Hackney-based Big Data company. Mastodon C has become well known for analysing information to propose ways that the NHS could realise potential savings of £200m by improving the approach to prescribing Statins (drugs used for managing high cholesterol levels); this example was featured the Cabinet Office Annual Report and Accounts 2012-13[6]. The discussion with Commission Members was about organisations trying to improve their decision-making through better use of the information they hold and, further, ways to raise interest in the Council about what it might be possible to achieve with more use of its own data. The key piece of advice was not to suggest building a system but rather to find problems and propose alternative ways to solving them. It was important to look for quick wins to prove this concept.

1.56.   It was noted that if organisations were going to engage in this field they should have some skills in-house as this was more likely to deliver savings further down the line.

1.57.   In light of the discussion with Mastodon C, the Commission made contact with New York City Council to find out more about the work of its Mayors Office for Data Analytics which has had success with this work. The New

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[6] Web: www.gov.uk/government/uploads/system/uploads/attachment_data/file/225980/HC_15.pdf

York team's mandate is to solve problems and improve services, not necessarily to save money. The work they do stemmed from an initial focus on tackling financial fraud and moved on to improving the scheduling of enforcement activity. This culminated in the now well known [dangerous buildings](#)[7] example. Since then the team has been approached by different City Agencies to look into problems that need solving. Usually these are cases when more than one City Agency is involved and the work requires as much data sharing as it does data crunching.

1.58. Although not charged with saving money the team was confident that improving the accuracy of enforcement activity would save the City at least £2m p.a. from its first few projects.

1.59. As with some of the other examples seen by the Commission, this was not strictly-speaking an ICT project but was more focused on the potential of new, lean, digital technologies to add value to existing patterns of work and offer ways to deliver services that can result in sizeable savings as well as improved outcomes.

Recommendation 3

The Commission recommends that a key group of data analyst within the Council should be encouraged to meet regularly and use the approaches highlighted in this report and in the example from New York City (for example, predictive analysis) to help the authority look at new ways to deliver services or find savings.

1.60. In light of these examples the Commission has already taken action for the Council by encouraging and advising on its participation in Project Stentor. Hackney is one of three local authorities developing pilots for this project, funded by the Government's Technology Strategy Board. The overall project's aim is to:

"develop a new open-source city data platform that synthesizes, analyzes and maps diverse datasets so that city leaders and decision makers can better understand the dynamics of the places they manage, make joined up decisions to improve quality of life, and create stronger, more resilient cities."

1.61. Hackney's pilot is to work with Mastodon C and its partner organisation Social Life to explore the cost and impact of interventions on the Pembury Estate. There is already close working here with the Peabody Trust, which is Landlord for the estate, and an early prototype of the tool being developed is available online at http://stentor.mastodonc.com.

1.62. Information management, data sharing and the law in this area is presenting some significant challenges to the ambition of this project. The Council's collection, storage and use of data about individuals is governed by the Data Protection Act and Human Rights Act. Regulation in this field is complex and strict; there are many examples of local authorities receiving significant fines

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[7] http://mginternet.hackney.gov.uk/documents/s33600/nycMODA_article.pdf

for misuse of personal data, even if accidental. However the Commission is aware of conflicting signals from Government in this area: on the one hand the Cabinet Office has sponsored and Open Data Institute (based in Hackney) and is encouraging public bodies to share openly as much of their data as possible; and on the other hand it maintains a very tight regime of compliance over the use of public data and access to the Public Service Network.

Recommendation 4

The Commission is sympathetic to the careful risk management being applied by the Council in this field currently. However there do appear to be a number of other local authorities and public bodies that are less risk averse and seemingly more able to share information in the ways described above. OSB has set out these points previously in its work on Transparency and Open Data and we will not re-rehearse those points here. It is worth noting though, that the Peabody Trust has had no problems sharing anonymised data with Project Stentor Partners, and similarly the other Councils involved in the pilot have agreed Data Sharing Protocols enabling the work to go forward as hoped.

- The Council should explain more clearly why sharing anonymised data about service use is more difficult in Hackney than other places.

- The the Council should encourage regional organisations such as London Councils and the Local Government Association to request clarity from Government regarding the apparent tension between compliance with PSN and the drive towards more open data. Particularly in relation to how the Data Protection Act and Human Rights Act are interpreted.

Staff Skills

1.63.   A report to the Commission in June 2013 cited a handful of examples showing low levels of basic ICT competency amongst staff. Where this exists, and there is no evidence that is widespread, this lack of ICT competency could create an additional burden upon the ICT helpdesk, particularly where employees are unable to resolve basic ICT queries themselves. At the same time it is also clear that some new staff have to de-skill in order to use the outdated platforms and software versions that the Council makes available to them.

1.64.   The Commission's visit to the London Borough of Hillingdon drew into question any assumption that staff might lack the skills to use ICT software and equipment effectively. In Hillingdon the experience of moving most staff to a cloud-based Google platform, operated through a browser required only a bear minimum of training. This included their email and calendar systems, basic document creation and storage (for example, word processing documents) and more besides. These were systems that staff were familiar with from their use of ICT outside of the Office environment and were comfortable, even enthusiastic, about using at work. Reiterating points made above, it may be that software and systems that are purchased and designed

without the user in mind are more likely to be the primary cause of staff appearing to lack ICT skills, rather than a lack of technical competence in general. In this light, it may not be accurate to suggest that low staff skills are a main reason for high call levels to the ICT Support Service[8].

1.65. To date, there has been no formal learning needs analyses undertaken with employees with regard to their ICT skills so current ICT literacy levels throughout the Council are unclear. The provision of ICT training is not driven by any systematic needs analysis nor does it represent a consolidation of the learning needs emerging from employee appraisal. Courses are described as "demand-led", and are thus procured in response to users' requests for specific training throughout the course of the year. A systematic learning needs analysis, as suggested in a report to the Commission from HR, would ensure that training interventions target the right people with the right skills at the right time. However we are not convinced that the time and resources required to carry-out this work effectively would justify the outcomes at this time.

1.66. It is also understood that formal testing of ICT skills is not routinely undertaken during the recruitment process, and it is often regarded as sufficient for an applicant to simply declare their competence as part of their written application. It does appear that the current recruitment process fails to consistently test the ICT competency of new recruits. This will need to be resolved in order to maximise the benefits of the existing ICT systems and to also avoid the need to up-skill those employees who should already be fully competent when joining the organisation.

1.67. In order to address employees' current and future development needs a needs analysis would need to be undertaken. This would assist the organisation in understanding what ICT (and related skills) are required; how these are measured within the recruitment process and which specific learning offers need to be part of the corporate programme. However, undertaking a systematic needs analysis is a resource intensive process, and with further reductions in HR & OD staff it is not likely that this could be resourced centrally.

Recommendation 5

The Commission recommends that a more streamlined training offer is made available to staff using screencasts and "youtube" style videos on the intranet. These are already used widely in some areas and are a simple way to show step-by-step how different systems and applications work.

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[8] http://mginternet.hackney.gov.uk/documents/s30553/ITEM5_ictServiceProvision_grsc.pdf (p.10)

Recommendation 6

The Commission recommends that there is a simple interface through which people and businesses with interesting ideas about service delivery can interact with the Council. Members have noted that a lot of good contacts existed within Tech City businesses via the Council's "Regeneration and Delivery" service but it was not clear how those businesses could offer to help the local authority with its own services, even where there was interest in doing so from the sector.

2.   MEMBERS OF THE SCRUTINY COMMISSION

Councillor Robert Chapman (Chair)

Councillor Simche Steinberger (Vice Chair)

Councillor Emma Plouviez

Councillor Tom Ebbutt

Councillor Rick Muir

Councillor Deniz Oguzkanli

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3.   GLOSSARY

Below is a list of abbreviations used within this report and their full title.

Abbreviation	Definition
API	Application Programming Interface
CDM	Council Document Management system
HR & OD	Human Resources and Organisational Development
ICT	Information and Communications Technology
KPI	Key Performance Indicator
OSB	Overview and Scrutiny Board
PC	Personal Computer
PSN	Public Service Network
SOCITM	Society of Information Technology Managers
TCO	Total Cost of Ownership
VDI	Virtual Desktop Interface