



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

23 November 2023

Report of the Executive Director for Corporate Services and Transformation

Digital Strategy, ICT Strategy, Target Operating Model and Implementation Plan for Derbyshire County Council's Future ICT Service (Corporate Services and Budget)

1. Divisions Affected

1.1 County Wide.

2. Key Decision

2.1 This is not a key decision.

3. Purpose

3.1 To update Cabinet on the progress of the Digital Strategy, ICT Strategy, Target Operating Model (TOM) and Implementation Plan for Derbyshire County Council's future ICT Service, and the proposal to make changes to the leadership structure.

4. Information and Analysis

Assessment of Derbyshire County Council's ICT Service

4.1 SOCITM Advisory conducted an assessment of the current state of Derbyshire County Council's ICT Service, which has been explained in the exempt Cabinet Report 'SAP Upgrade Programme and Procurement of an SAP Implementation Partner', dated 19th October

2023. The conclusions of this assessment, have already been briefed to CMT, Cabinet and Opposition Leader, and have been used to inform the Digital Strategy and ICT Strategy.

Technical Infrastructure Analysis

- 4.2 The exempt SAP Upgrade Cabinet Paper noted that Derbyshire County Council has delivered its business process applications through a predominantly 'on premises' configuration, where the applications are hosted by Derbyshire County Council's ICT service, and data storage is managed by the council. The council is currently storing c180TB of data on two sites, County Hall and Shand House, with 81% of its service delivery reliant upon 'on premise' applications. 75% of the council's network infrastructure and 42% of its storage servers are already out of contracted support, with the remaining infrastructure and storage servers due to go out of contracted support from 2025-27.
- 4.3 To determine the practical implications of migrating business applications and storage to a Software as a Service (SaaS) and Cloud storage configuration, an analysis of the council's technical infrastructure has been conducted. The full report is being produced, and once complete will inform the ICT Strategy, and allow costing of an Implementation Plan.

Digital Strategy

- 4.4 The Council's Digital Strategy is currently being developed and will be reported to a future meeting of Cabinet for consideration and approval. The Digital Strategy will define the council's approach to systems and data use, to both drive and support service delivery in the future. The key objectives of the emerging Digital Strategy are as follows.
- To move to a modern cloud-based infrastructure with applications and data hosted in the cloud.
 - An integrated application landscape to provide efficient interoperable systems and processes.
 - Automate manual processes to provide additional capacity and deliver improved services to residents and the council.
 - Improve user experience by designing customer centric services.
 - Utilise an Enterprise Architecture function to provide architectural governance, proactive end to end solutions and reduced complexity.
 - Create a Business Information and Data Analytics function to harness to value of DCC's data and use it to provide evidence and insight for proactive decision making.

- 4.5 The Digital Strategy will set out a Digital Strategy Vision, which will be described by three elements *'Simplify, Digitise and Grow'*. The emerging Digital Strategy describes how this will be delivered via three key themes to drive outcomes, *'Technology & Integration, Design & Innovate and Scale, and Data Driven Decisions'*. The themes are further developed into actions and roadmaps, as a high-level guide to implementation.

ICT Strategy, Target Operating Model (TOM) and Implementation Plan.

- 4.6 Alongside the Digital Strategy, the Council's ICT Strategy is being developed and will also be reported to a future meeting of Cabinet for consideration and approval. The ICT Strategy will define the ICT service necessary to deliver the Council's Digital Strategy, identify a Target Operating Model (TOM) for that service, identify the gap between the current 'as-is' operating model and the future 'to-be' operating model, and describe an implementation plan to transition to the future state. The emerging ICT Strategy, TOM and Implementation Plan explains the following.

- Operating Model Principles.
- The Critical Success Factors of the Operating Model.
- The ICT Function Definitions and Outputs the Operating Model will be required to meet.
- TOM structure and leadership responsibilities.
- Impacts of the TOM on other services areas.
- Outline transition plan to April 2025.

ICT Leadership

- 4.7 Central to the effectiveness of the Digital Strategy, ICT Strategy, TOM and Implementation Plan is the future leadership of the ICT service. The drafts of the ICT Strategy recommend that the future service is led at Director level by a Chief Technology Officer (CTO), supported by an Assistant Director to lead Strategy and Enterprise Architecture, and Heads of Service to lead Service Management, Continuous Improvement and Business Support. The link to departments would be delivered through a Business Partner model. Together, this leadership team would manage and drive value from technology across the council, ensure effective oversight and continuous development of the ICT service, so that the council does not accumulate another technical deficit over time. The implications to the change in the leadership structure of the ICT Service will be the subject of a recommendation to the Head of Paid Service.

4.8 The Director level CTO role's responsibilities would include the following.

- Developing and implementing the Digital Strategy and ICT Strategy for the council, aligned with the council's Ambition, Outcomes and Strategic Objectives.
- Providing technical guidance and advice to the Managing Director, Executive Directors, Statutory Officers and other senior leaders on technology-related matters, such as innovation, digital transformation, security, privacy, and governance.
- Holding responsibility for the totality of the council's technology spend, to ensure cost effectiveness and value for money.
- Monitoring and assessing the performance, efficiency, and effectiveness of the technology systems and solutions, identifying issues and opportunities for improvement or innovation.
- Evaluating and selecting the appropriate technology vendors, partners, platforms, and systems for the council, negotiating contracts and managing relationships.
- Overseeing and supervising the research and development of new technologies, products, or services that can improve service delivery.
- Staying abreast of the latest technology trends and developments in the market, anticipating potential disruptions or opportunities for the council.

4.9 The SOCITM Advisory stabilisation contract currently provides the leadership of the council's ICT service at Assistant Director level, along with Heads of Service level capacity (namely Enterprise Architecture, Operations and Applications). The aim would be to recruit to the required future leadership roles as soon as possible, so that the SOCITM Advisory stabilisation leadership could be replaced by permanent leadership of the service to drive implementation of the Digital Strategy and ICT Strategy once approved.

4.10 The Director level Chief Technology Officer's salary would fall above the £100k salary threshold, which requires agreement at Full Council. The role could be resourced in one of the following two ways.

- Establish the role as a new role, with the salary found from an increase in the ICT revenue budget, or commensurate savings made elsewhere. Aside from the costs involved, this approach would increase the number of Directors in Corporate Services and Transformation (CST) to six, two of which are statutory roles (Director of Finance & ICT, Director of Legal & Democratic Services,

plus the Director of Property, and Director of Organisation Resilience, People & Communications).

- An alternative approach would be to remove the Director of Transformation & Strategy role and replace it with the Chief Technology Officer's role, retaining five Director roles in CST.

4.11 The Director of Strategy & Transformation role was not filled when advertised in December 2022, due to a lack of suitable candidates, and because the needs of the role continued to evolve as the council's new Portfolio Management Organisation (PMO) took shape. An Interim Director was appointed in April 2023 to bring in an improved Integrated Strategic Planning process for the council and reshape the Strategy & Policy Team in CST to better suit the council's strategic planning needs. The interim contract was terminated at the start of October 2023 as a savings measure in the council's 'in-year' cost reductions, with the line management of the two teams passing back to Director Organisation, Resilience, People & Communications (OPRC), and direction of the PMO and Strategy & Policy teams delivered by a combination of Director ORPC and Executive Director CST leadership.

4.12 Retaining a Director of Transformation & Strategy, would increase the council's capacity for strategic planning, but given the current climate the role can be mitigated by Executive Director CST. Of the two options above, the recommendation to the Head of Paid Service is that the Director Transformation & Strategy role in the council's current structure is removed and replaced by a Director level Chief Technology Officer role to lead the future ICT service.

5. Consultation

5.1 As this is a report to Cabinet to note, there is no requirement to consult.

6. Alternative Options Considered

6.1 Not to provide an update report to Cabinet on the progress of the Digital Strategy, ICT Strategy, Target Operating Model (TOM) and Implementation Plan for Derbyshire County Council's future ICT Service, and the proposal to make changes to the leadership structure. However, it is considered appropriate for Cabinet to be informed of the emerging strategies in advance of the report to full Council to approve the salary for the proposed new Director role.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 None identified.

9. Appendices

9.1 Appendix 1 – Implications.

10. Recommendation(s)

That Cabinet note:

- a. The progress of the Digital Strategy, ICT Strategy, Target Operating Model (TOM) and Implementation Plan for Derbyshire County Council's future ICT Service.
- b. That further development of the Strategies, TOM and Implementation Plan, an analysis of the council's infrastructure to determine the upgrade costs and likely timeframe to move services from an 'on-premise' to a 'cloud' provision is ongoing, and will be the subject of further reporting.
- c. The analysis to date recommends a change to the future ICT Service's leadership structure, and the establishment of a Chief Technology Officer, Director level leadership role, with overall responsibility for the council's technical infrastructure, ICT service and the full costs of delivering them.
- d. The recruitment of a Chief Technology Officer, Director level role, and supporting Assistant Director and Heads of Service level capacity and capability, will allow the council to replace the stabilisation leadership currently provided by SOCITM Advisory.
- e. The implications to the change in ICT Service's leadership structure will be the subject of a recommendation to the Head of Paid Service, so that approval can be sought from Full Council for the Chief Technology Officer, Director level salary, and recruitment to the structure can begin.

11. Reasons for Recommendation(s)

11.1 To ensure that Cabinet are informed of the progress of the Digital Strategy, ICT Strategy, Target Operating Model (TOM) and Implementation Plan for Derbyshire County Council's future ICT Service, and the proposal to make changes to the leadership structure.

12. Is it necessary to waive the call-in period?

12.1 No.

Report Author: Joe O'Sullivan
Joe.OSullivan@derbyshire.gov.uk

Contact details:

Appendix 1

Implications

Financial

- 1.1 At this stage, no full costings of the proposed Digital Strategy, ICT Strategy, Target Operating Model (TOM) and Implementation Plan can be provided, but a full costing up and budget analysis will be undertaken in conjunction with the ICT service when more data is available. Finance and ICT colleagues will continue to work closely on this new operating model.

Legal

- 2.1 The Head of Paid Service (Managing Executive Director) is responsible for the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions, the organisation of officers and the appointment and proper management of the Council's officers.
- 2.2 The Responsibility for Functions at Appendix 1 to the Constitution makes it clear that reviewing and authorising changes to departmental structures and establishments must be dealt with in conjunction with the Director of the Organisational Development and Policy. In addition, in exercising delegated powers it is the duty of an officer to whom the exercise of powers is delegated to consult such other officers, Director of Finance & ICT and Director of Legal and Democratic Services as may be appropriate in the circumstances and to have regard to any advice given.
- 2.3 The establishment of the post of Chief Technology Officer at Director level and deletion of the post of Director of Transformation and Strategy is therefore not a decision which falls within the remit of Cabinet. It will be the subject of a report to the Head of Paid Service.
- 2.4 The Openness and accountability in local pay: Guidance under section 40 of the Localism Act provides that full council, or a meeting of members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set. For this purpose, salary packages should include salary, any bonuses, fees or allowances routinely payable to the appointee and any benefits in kind to which the officer is entitled as a result of their employment. As set out in the Constitution, Appendix 1 – Responsibility

for Functions, approval of remuneration on appointment in excess of £100,000 is the responsibility of full Council.

Human Resources

3.1 Any associated workforce implications will be considered and outlined in the recommendation to the Head of Paid Service with regard to the proposal to make changes to the leadership structure.

Information Technology

4.1 These are considered in the body of the report.

Equalities Impact

5.1 None.

Corporate objectives and priorities for change

6.1 None.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.