Slough Borough Council

Report To:	Cabinet
Date:	18th July 2022
Subject:	IT Team Restructure
Lead Member:	Councillor Ajaib, Lead Member, Customer Services, Procurement and Performance
Chief Officer:	Steven Mair – Executive Director Finance and Commercial (s151)
Contact Officer:	Simon Sharkey Woods, Interim Chief Digital & Information Officer
Ward(s):	All
Key Decision:	NO
Exempt:	NO
Decision Subject to Call In:	YES
Appendices:	Appendix 1 – Existing Structure Appendix 2 – Proposed Structure Appendix 3 – ICT&D Consultation Risks

1. Summary and Recommendations

Summary

1.1 This report seeks approval to consult upon and implement a restructure of the IT Team within Business Services, part of the Finance and Resources Directorate, in line with the proposals contained within this report.

1.2 The Council's external auditors, LGA specialist ICT peer support, and various reports have highlighted the need to significantly strengthen the capacity and skills of the team, ensure it is sustainable and can support the future success of the Council and the Children's Company. The proposed structure is underpinned by:

- detailed job descriptions for all posts which have been evaluated by HR and Trade Unions, and the Senior Management roles assessed by an external trained evaluator from South East Employers.

- a focus on strengthening project, programme, and portfolio management in the team to create greater visibility of work being undertaken, and a refreshed focus on IT service management best practice linked to the ITIL framework (IT infrastructure library), and SFIA (the Skills Framework for the Information Age, a skills and capability framework used extensively across the IT industry) which has been referenced within the revised job descriptions.

- budget that has already been agreed with Members to improve the state of technology services and build a team capable of progressing all modernisation and remediation works.

Recommendations

1.3 Cabinet is recommended to:

a. endorse the consultation process for the revised structure for the IT Team noting the addition of a number of key posts

b. note and approve the scope of the restructure which includes the core IT Team (covering all the technology used across the Council and Children's Company) and Digital Team (that focuses on public facing digital services) and note the proposal for the two teams to come together and be known as the ICT & Digital Team and work more closely together to improve public interactions with the Council.

Reason:

1.4 The restructure of the IT Team was put on hold during the wider "Our Futures" organisational consultation in 2020 as a result of compelling feedback during that process. This delay has created uncertainty for staff in the team and has increased the need for the use of interim resources. The approach laid out in this report will enable the Council to reset its approach to resourcing ICT & Digital roles in a way that is more sustainable, stabilises the team, increase the capacity to improve services, and will support the Council's recently refreshed Corporate Plan.

1.5 Various audits and external reviews have highlighted issues with technology at the Council and Children's Company. The directions from Central Government following the Section 114 being invoked included the need for "An action plan to achieve improvements in the proper functioning of the Authority's IT". This proposed restructure is a significant element of the work required to comply with this direction and help the Council deliver against it.

1.6 The DHULC Governance Review issued in October 2021 also highlighted a number of issues with the IT provision with a focus on the need to get the basics right. This included the need to have leaders with significant experience in the areas they lead, having adequate capacity in the team to rectify long-standing issues, delivering services now, and meeting the future ambition of the Council.

1.7 The recent, refreshed Corporate Plan references the need for a number of improvements linked to increasing resource and improving skills in the IT Team including:

- Robust contract management of third-party suppliers and maintaining an accurate procurement pipeline that ensures regulatory compliance
- Supporting the increasing adoption of hybrid working practices
- Strengthening the Council's approach to Cyber Security
- Better engagement with reporting cycles for CLT and members
- Reducing the reliance on interim staff

1.8 The current approach to providing online access to services for residents has also not had the impact the Council was expecting. To-date, the creation and management of digital interactions with residents has been undertaken by a team made up of interim staff only. The group has also had less direction due to the old transformation group being stood down in 2021. The proposed consultation will now seek to establish a team of permanent staff who develop strong relationships with the restructured ICT & Digital Team as well as all council services. They will work collaboratively to create end-to-end customer experiences that meet expectations and are continually improved.

1.9 The team is also tasked with progressing the large portfolio of remediation and modernisation work that needs to be completed to help the Council establish a technology infrastructure that is fit for purpose for the future. There are a number of interim roles currently involved in supporting this which is expensive. The new roles and responsibilities proposed in this restructure will strengthen the team's ability to get this done and lower the risks and costs associated with doing it.

Commissioner Review

1.10 *"It is essential for any organisation that there is the required IT capacity and capability to enable the efficient and effective delivery of services. Whilst we are content with the proposals in the report, this will need careful monitoring through the implementation stage as there is a significant risk regarding the ability to attract the appropriate staff"*

2. Report

Introduction & Background

2.1 As a result of the recent organisational issues at the Council, the poor state of technology and digital services and its impact on operational effectiveness has become increasingly clear to the senior leadership of the organisation. Plans have been created to modernise and remediate the infrastructure across the Council, but this work is at significant risk due to the lack of resource and skills within the current team. The delayed restructure of the team, combined with the worst skills crisis in the technology sector in living memory[1], and the ability for skilled staff to find alternative employment paying higher salaries and offering more comprehensive career development, makes the situation extremely challenging.

2.2 A number of reports have referenced the poor state of technology services as the Council has been undertaking work to recover from its financial challenges. The reports highlighted a need to get the basics right, and to build a plan to get technology services functioning safely and appropriately.

2.3 Other assessments have highlighted an urgent need to progress cyber security improvements, improve supplier management, procurement compliance, establish a better approach to disaster recovery, and ensure that technology becomes a driver of efficiency and service improvement for both the Council and service users.

[1] https://www.harveynash.co.uk/latest-news/2021-11/Digital-Leadership-Report

2.4 The restructure proposed in this report is a significant step towards reconfiguring the way technology services are managed at the Council and along with good processes, the upskilling of staff, better governance, and greater transparency, it offers the potential to meet the future needs of the Council and Children's Company within a more sustainable operating and resourcing model.

2.5 The LGA ICT Peer review undertaken in December 2021 informed the proposed future structure for the ICT & Digital Team. It highlighted the importance of the adoption of standards and good IT architectural principles, the need for the team to have enough resource to be able to quickly adapt to changing circumstances, and to ensure there is a strong focus on skills, capacity, and capability. It also stated the need to have robust governance and portfolio management practices to maintain a strong grip on the priorities and progress of key works.

Options considered

2.6 The Council outsourced the technology service as part of the transactional services contract with Arvato in 2013. When the service returned in 2019 it was clear that significant investment would be required on the technology infrastructure at the Council to bring it up to an acceptable standard. The large-scale remediation and modernisation work now being undertaken is in response to this.

2.7 Although it is recommended that another wholesale outsource arrangement of this type is avoided, specific specialist pieces of work are likely to be commissioned externally to augment the skills and capacity of the internal team. The principles of only outsourcing what is comprehensively understood, and what can be measured and reported on, and then, only doing so when comprehensive oversight and robust supplier management is put in place, will ensure that similar issues to what was seen with previous outsource arrangements will be avoided.

2.8 A further alternative model that has been considered is Service Integration and Management (SIAM). This involves establishing an intelligent client function that sits between external technology suppliers and the organisations receiving services. This is typically only used in very large organisations where it is difficult for one supplier or internal unit to cover all aspects of the service. Slough is not at the scale to justify this approach and even in large organisations the concept has not always been successful. It requires very skilled supplier managers and service delivery managers, as well as robust process and reporting, to be effective.

2.9 A predominantly insourced team, supplemented by specialist external expertise when required, remains the most sustainable and cost-effective model to keep control and flexibility during the large-scale changes required at the Council. It is also the approach most likely to meet the needs of the future operating model of the Council. Although the proposed structure and job descriptions are essential to supporting this, there will also need to be:

- the ability for team members to undertake regular professional development to keep their skills current, and improve their professional working practices
- remuneration that allows the Council to compete in the market for staff at an equivalent level to other local authorities and not-for-profit organisations in the area

Proposed Structure

2.10 The proposed structure is divided into four areas which are Customer, Core, Control and Digital. However, due to the nature of ICT & Digital services, staff will frequently work in cross-functional teams to achieve organisational outcomes and deliver service. The structure is primarily in place to ensure people have the subject area support they need to be successful as they contribute to cross-functional, and sometimes cross-departmental work. The proposed 51 FTE ICT & Digital roles are spread across the four areas.

Customer

2.11 Customer is the primary contact point for staff to engage with the ICT & Digital Team. Incidents and requests will be made to the customer channel through the service desk. Projects and opportunities will be initiated via Business Partners who are also in this area. The team is led by the ICT&D Services Manager who is the primary advocate for the wider organisation within the team.

Control

2.12 Control is a multi-disciplinary area with its own autonomous managers giving an appropriate level of separation. Teams in the other areas will follow the processes, policies and governance set down by Control. The ICT&D Project Management Office (PMO) within Control is managed by the Programme Delivery Manager and maintains a portfolio that aligns to organisational need and works closely with any corporate portfolio management function. The ICT&D PMO will have a current focus on capability, capacity, and resilience as set out in the Corporate Plan. The Enterprise Architect sets the standards for all technology services in use across the Council. The Governance and Security Manager ensures general compliance to all relevant legislation and organisational controls.

Core

2.13 Core is where technical staff for development and the 2nd and 3rd line support of all applications or systems reside. To manage the large volume of remediation and modernisation work underway this group will need significant capacity in the short/medium term. The Core function will be managed by the Chief Technology Officer (CTO). This is a critical and extensive role and will require a breadth of skills including operational ICT management, architecture, and development. The CTO will collaborate with the Enterprise Architect to establish the ICT & Digital strategy and to drive it forward. The CTO is the most senior technical officer.

Digital

2.14 Digital is the lead area on work to provide public facing services that help the Council to be more efficient and to ensure residents receive the best possible service. Although this team has a digital focus, it will only be successful if roles across the whole ICT & Digital Team, and across all Council services, collaborate on what is provided.

2.15 All of the elements of the refreshed team can be seen in the proposed structure in Appendix 2.

Chief Digital & Information Officer (CDIO)

2.16 The consultation proposes a new Assistant Director level role, the Chief Digital & Information Officer (CDIO). This role will lead the group of Senior Managers within the ICT & Digital function and will create IT representation at the most senior level within the Council. The CDIO will lead on all technology and digital elements of the Corporate Plan (focused on technology capability, capacity, and resilience) and be the champion for the digital transformation agenda for the Council.

2.17 Being positioned at a more senior level, the CDIO will be able to guide, inform and draw together ideas from all areas of the Council. This will allow for a more joined up digital approach to be taken and will benefit the Council by ensuring a focus on delivering on what is truly needed and will have the greatest impact.

2.18 As the budget holder for all IT and Digital spend, the CDIO will provide strategic consultancy services for all departments. They will influence (and contribute) to the development of all service delivery plans at a senior level.

2.19 This post will lead the ICT & Digital team to its next stage of development to improve support levels and develop increasingly effective ways of working for ICT & Digital Services as more technology is moved to the cloud and especially SaaS (software as a service) based services.

Comparison

2.20 The proposed restructure for Slough has been compared to a similar process being undertaken in another Berkshire unitary authority.

2.21 The approach being proposed for Slough compares favourably with the other authority as although the two proposed structures are similar in size (around 50 roles), the other authority has outsourced some elements of its service delivery to third parties. This includes their helpdesk function. This logically means therefore that Slough is proposing to do more than the other authority with the same number of staff. The capability and capacity of the Council to successfully manage with this level of resource will be kept under review and if necessary action will be taken to address any emerging issues

Timeline

2.22 The current proposed timeline for the restructure is challenging and can be seen below:

ACTIVITY	DATE
Proposals discussed with Trade Unions	June 2022
Briefings for affected staff	6th July 2022
Proposals reported to Cabinet for approval to consult	18th Jul 2022
Consultation starts on 27th July 2022 and ends on the 26th August 2022	
One-to-ones between affected staff and line managers	28th Jul – 5th Aug 2022
End of formal consultation period and final date for any formal responses to have been submitted	26th Aug 2022

Formal response to feedback issued to staff, along with final proposals and structure. This will all be confirmed in report from the Interim Chief Digital & Information Officer	31st Aug 2022
Implementation of the outcomes of the consultation	7th Sep 2022
Internal recruitment process begins	7th Sep 2022
Internal Recruitment process ends	30th Sep 2022
Internal and External advertising	3rd – 28th Oct 2022
Applications reviewed, assessed and invitations for interview sent	31st Oct – 4th Nov 2022
Interviews and Assessments	14th – 25th Nov 2022
Offers made	21st – 30th Nov 2022

2.23 Points to note:

- recruitment of roles will be prioritised following the consultation based on the most urgent needs, acknowledging that recruitment processes themselves will require significant resource
- the target is to complete recruitment by the end of 2022. However, as stated previously, the market for technology specialists is recognised as being as challenging as it has ever been (linked to the rapid uplift in digital services that was driven by the Covid-19 pandemic). The managers in the team will work closely with HR colleagues to improve the chances of success, but there is a significant risk that the timeline could slip

3. Implications of the Recommendation

Financial Implications

3.1 The restructure of the IT Team will result in a higher overall salary cost for the area compared to previous years, but this has been factored into recent financial planning and the costs will remain within budget. The breakdown of staffing costs by team (inclusive of on-costs and calculated at mid points) can be seen below:

Description	**Estimated Cost (including on-costs) £'000**
CDIO & Perm staff in Control team	850
Perm staff in Core team	988
Perm staff in Customer team	687
Perm staff in Digital team	200
Recruitment costs	50
Transitional interim resource	120
TOTAL	**2,895**

3.2 The budget for resourcing for 2022/23 was agreed at £2,895k. The transition from the current state into the future state, combined with the current challenging market for technical specialists, will require a number of interim roles to be retained. Overall, we still expect to manage the resourcing of the team, including interims, within the £2,895k budget allocation originally envisaged for 2022/23.

While an increase in permanent staff is being proposed, this will be offset as the number and cost of interim staff reduce.

3.3 The table below shows the budgeted and projected cost split between permanent and interim staff:

	Budget 2022/23 £'000	Forecast 2022/23 £'000	Variance 2022/23 £'000
Permanent staff (incl. on costs)	2,395	1,417	(978)
Interim staff	500	1,428	928
Other staff costs	0	50	50
TOTAL	**2,895**	**2,895**	**0**

Legal Implications

3.4 The Council has a policy on managing organisational change which guards against the risks of any unfair dismissal claims should any dismissals result from the proposed changes. The risk of dismissal is low as there are more jobs in the new structure than there are staff currently in post.

3.5 If any of the posts are awarded a salary of over £100,000 this will need to be approved by full Council.

Risk Management Implications

3.6 Summary of risks (Refer to Appendix 3 for full details)

Risk/Opportunity	Controls	Residual Risk Score
There is a risk that the current market for technical and specialist skills will prevent the Council recruiting to a number of key positions in the ICT&D team. This could lead to an inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues.	1) After initial attempts to recruit business cases will be put forward for the use of market forces adjustments where required 2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required 3) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive	**10 - AMBER**
There is a risk that the processes required for a fully compliant consultation and recruitment will mean that some staff will not be in post until early in 2023. This could lead to an inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues.	1) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive 2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required	**8 - AMBER**
There is a risk that the proposed structure may not be accepted by all staff leading to further attrition of people with long-term institutional knowledge This could lead to a greater risk of disruption to services and infrastructure.	1) Ensure that staff are aware that the consultation is credible, and changes can be made based on logical feedback that supports the best outcome for the Council 2) Seek opportunities for knowledge transfer from any staff considering exit	**9 - AMBER**

Environmental implications

3.7 There are no specific environmental implications arising directly from this report.

Equality implications

3.8 An equality impact assessment has been undertaken for this restructure and this will be kept under review throughout the consultation process. As all roles have been matched to the proposed new structure, the impact is minor for all 17 permanent staff.

3.9 The recruitment process will be undertaken to ensure equality of access and non-discrimination.

3.10 Any contractor involved in supporting recruitment will do so on the basis that they are knowledgeable and have a comprehensive understanding of the Equality Act duties.

Procurement implications

3.11 There are no specific procurement implications arising directly from this report.

Workforce implications

3.12 There are minor implications for the current workforce who will be put through the consultation process. The proposed structure has significant differences to the current one but does provide an opportunity for team members to be clearer on their role and also creates the opportunity for them to apply for one of the newly created roles. The new structure should be considered a positive step as it is designed to grow capacity and increase the skills within the team.

3.13 All posts have been evaluated and allocated to a Slough BC grade. Any job offers will be made on the basis of Slough BC terms and conditions. It is proposed that staff who are matched to a new post and have transferred under TUPE to Slough BC will move to Slough BC terms and conditions. This will be discussed with any staff in that position during the consultation process, if requested.

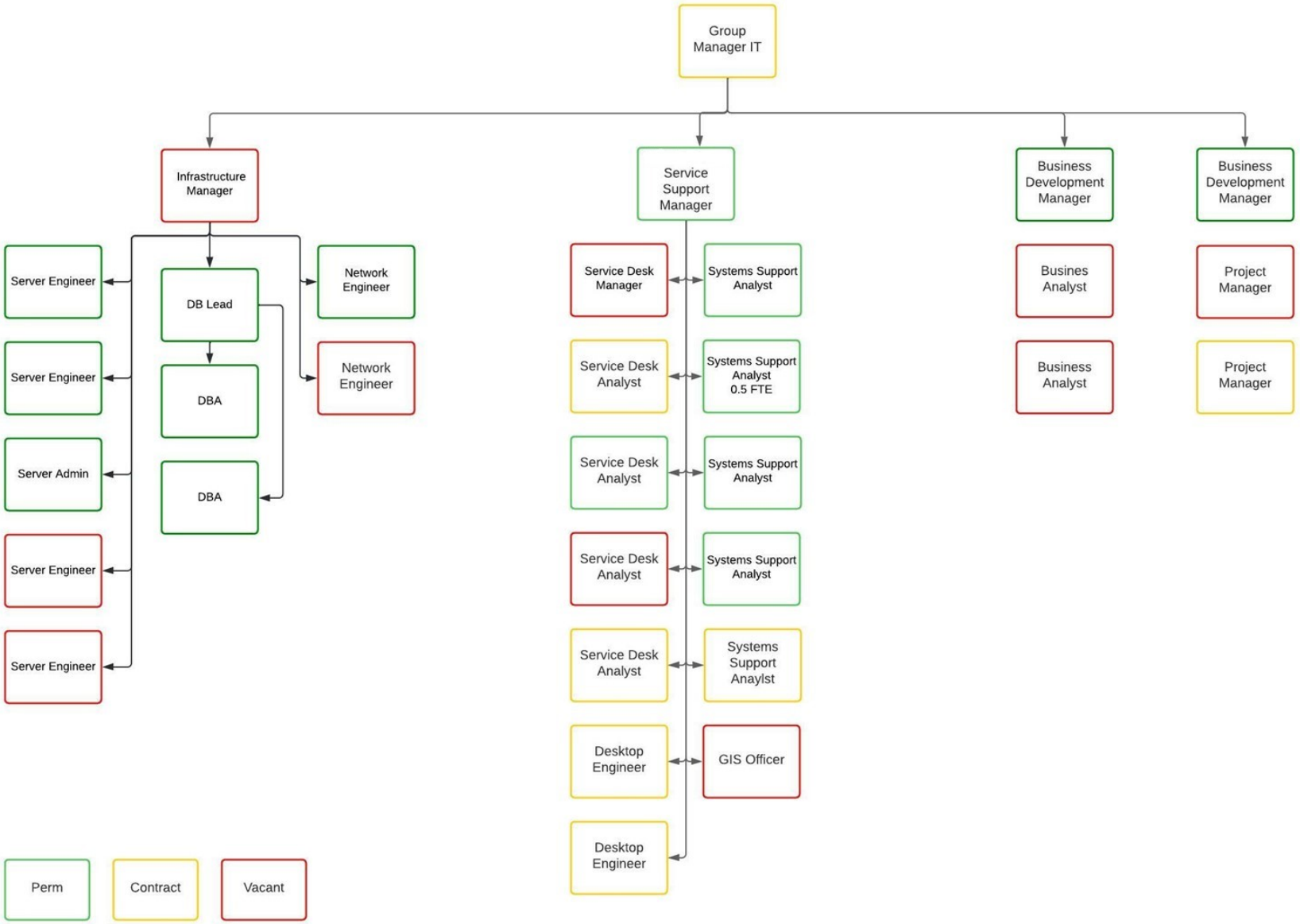
Property implications

3.14 This proposal has no direct implication on properties. There may be some collateral implications depending on the ability to recruit local people to undertake the roles. A more hybrid approach may require less property.

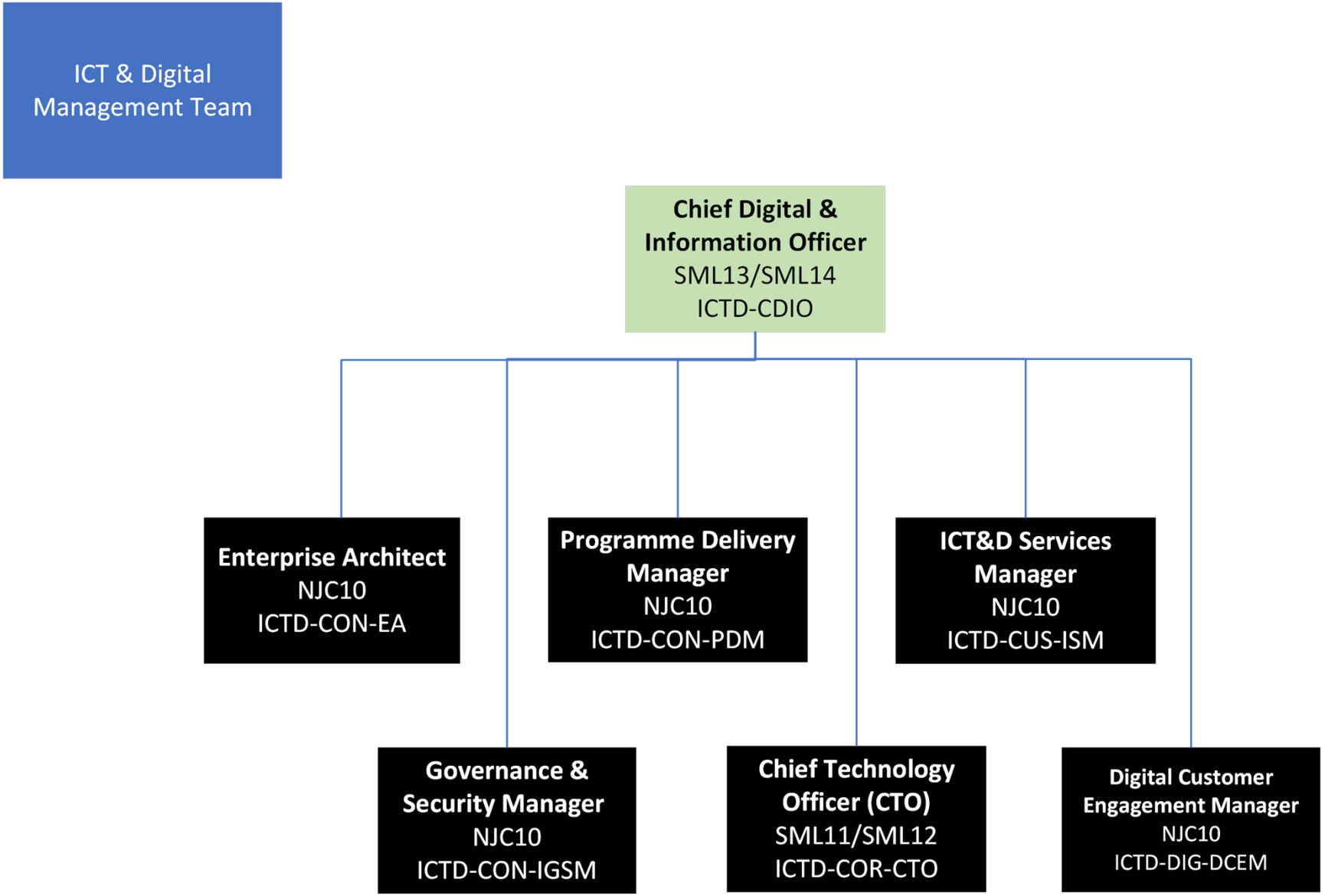
4. Background Papers

4.1 None

Appendix 1 – Current IT Structure

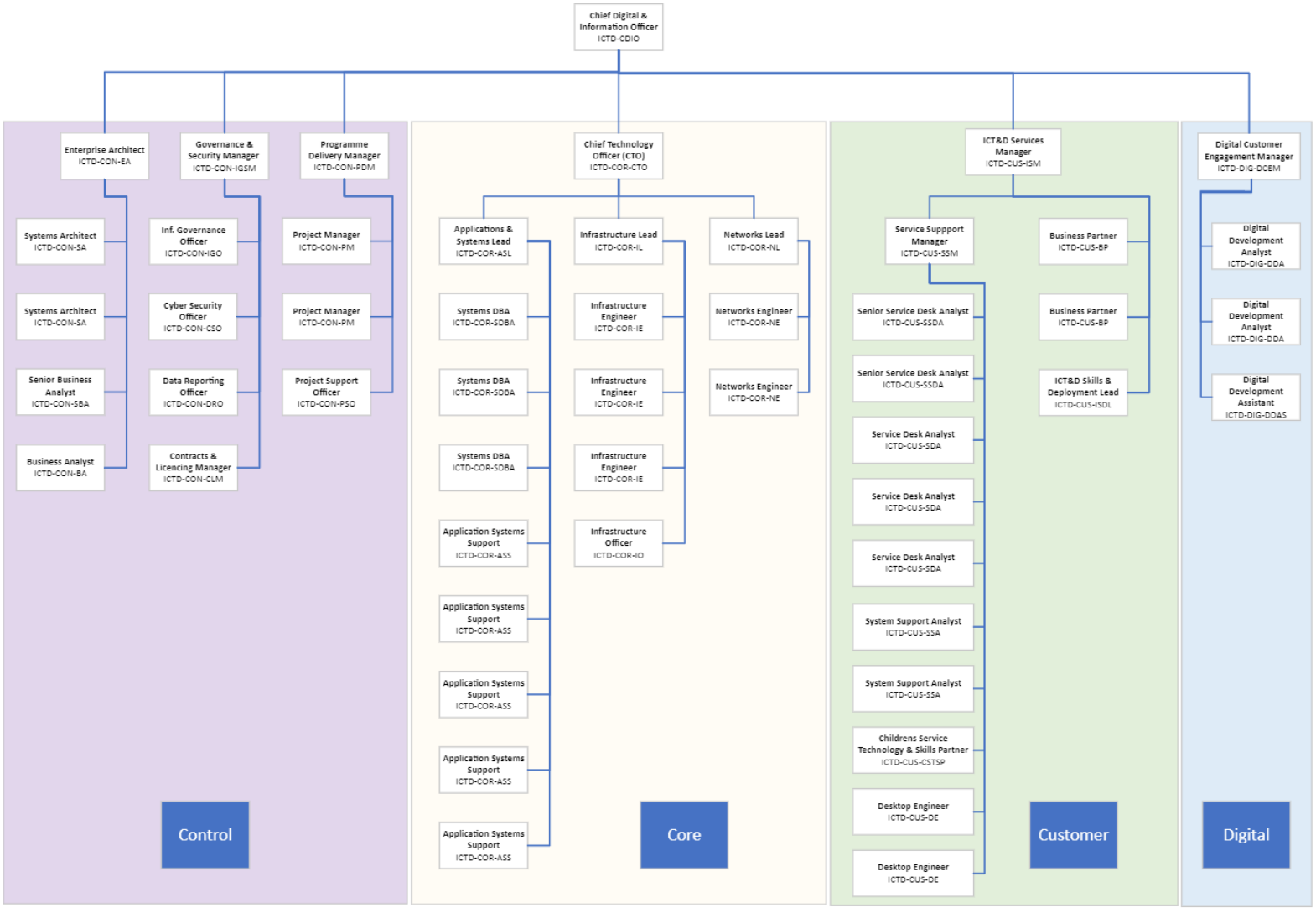


Appendix 2 – Proposed ICT & Digital Team Structure



Appendix 2 – Proposed ICT & Digital Team Structure

Whole Team



Appendix 3 – ICT&D Consultation Risks

Risk Description	Likelihood	Impact	Risk Level	Owner	Mitigation	Residual Likelihood	Residual Impact	Residual Risk	Treatment
There is a risk that the current market for technical and specialist skills will prevent the Council recruiting to a number of key positions in the ICT&D team CAUSE: All roles in the ICT&D team need to be recruited for the team to be fully effective EVENT: Unable to recruit to key roles EFFECT: Inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues	6	2	**12**	CDIO	1) After initial attempts to recruit business cases will be put forward for the use of market forces adjustments where required 2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required 3) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive	5	2	**10**	Reduce
There is a risk that the processes required for a fully compliant consultation and recruitment will mean that some staff will not be in post until early in 2023 CAUSE: The ICT&D Team requires capability and skills to progress a large portfolio of work EVENT: The consultation and recruitment processes to bring in new team members take longer than expected EFFECT: Inability to progress essential works, delays to new or upgraded services and to lowering risks linked to current issues	5	2	**10**	CDIO	1) If required, business cases will be put forward to extend or increase interim resource whilst waiting for new staff to arrive 2) Options for specific pieces of work to be commissioned from 3rd party suppliers will be considered if required	4	2	**8**	Reduce
There is a risk that the proposed structure may not be accepted by all staff leading to further attrition of people with long-term institutional knowledge CAUSE: There are now a relatively small number of ICT&D staff who have knowledge of the current infrastructure and services EVENT: The consultation process is not well received, and staff leave EFFECT: Greater risk of disruption to services and infrastructure as a result of key people leaving	4	3	**12**	CDIO	1) Ensure that staff are aware that the consultation is credible, and changes can be made based on logical feedback that supports the best outcome for the Council 2) Seek opportunities for knowledge transfer from any staff considering exit	3	3	**9**	Reduce