

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Council 26th October 2006
AUTHOR/S: Chief Executive / Asst Dir Finance & Resources (ICT)

ICT STRATEGY - EXPENDITURE PROFILE

Purpose

1. To accompany the revised ICT Strategy 2006 – 2009 and identify expenditure directly associated with ICT.
 - (a) To describe actual expenditure for the year 2005 - 2006
 - (b) To describe forecasted expenditure for the period 2006 – 2009, the 'life' of the strategy.

Background

2. As identified in the Council's IEG statement (IEG6) produced March 2006, the Council has over the past 5 years made a significant investment of £5.9M, of which £4.6M was from internal revenue and capital budgets, in upgrading our ICT systems and introducing e-Government.
3. Capital and revenue funding of £1.5M for 2006/7, and £1M for 2007/8 has been committed to the development of those 'e-systems' and services to bring forward the benefits of that development. This funding has been identified in the Council's Medium Term Financial Strategy and will be reviewed in line with the normal budget planning and approvals process.
4. The challenge now is to ensure we reap the benefit of that investment and enjoy the efficiencies and enhancements we have identified. In conjunction with the Transformation Project, ICT systems developments will be key to ensuring that business processes can change and that change is for the better, enabling greater delivery at less cost.
5. Following presentation of the revised ICT Strategy 2006 – 2009 to Cabinet on 12th October 2006, members requested a financial breakdown of what has been spent in the last financial year and a forecast yearly breakdown for the duration of the strategy.
6. Appendix A identifies the expenditure profile.

Considerations

7. The strategic direction identified is based on maintaining a 'steady state' environment, developing our existing implementations and not bringing on major new systems unless external factors / influences beyond our control, apply.
8. However, we need to be mindful of possible options in 'invest to save' initiatives such as shared services with our peers and other public or private sector partners.

9. Delivery of services is dependant on robust ICT systems, achievement of external grant is dependant on demonstrable success in some services areas, notably the Planning Delivery Grant.
10. Funding of ICT is an explicit requirement if the Council is to deliver into its important agendas.

Effect on Annual Priorities and Corporate Objectives

11.	<table border="1"> <tr><td>Affordable Homes</td></tr> <tr><td>Customer Service</td></tr> <tr><td>Northstowe and other growth areas</td></tr> <tr><td>Quality, Accessible Services</td></tr> <tr><td>Village Life</td></tr> <tr><td>Sustainability</td></tr> <tr><td>Partnership</td></tr> </table>	Affordable Homes	Customer Service	Northstowe and other growth areas	Quality, Accessible Services	Village Life	Sustainability	Partnership	<p>Essential to provide the capability to provide efficient services and the mechanisms to support staff in the delivery of those services.</p> <p>Essential for the provision of improved access to services via popular access channels such as the Contact Centre and Internet.</p>
Affordable Homes									
Customer Service									
Northstowe and other growth areas									
Quality, Accessible Services									
Village Life									
Sustainability									
Partnership									

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Appendix A

Financial Breakdown – Revenue Budget

	2005/06 £	Rollover	2006/07 £	2007/08 £	2008/09 £	Total £
<u>Implementing IEG</u>						
Contact Centre	506,586		698,080	719,458	737,444	2,661,568
Development of Other IEG Initiatives	-		77,000	-	-	77,000
On-going Maintenance and Running Costs re IEG	446,824		325,640	242,146	248,200	1,262,810
<u>Non IEG Specific Commitments</u>						
Salary Costs	419,051		703,858	735,532	768,631	2,627,072
Serco Contract	664,118		-	-	-	664,118
IT Equipment Refresh and Licence Charges	-		-	-	-	-
In-House Service Costs Following Transitional	22,420		64,000	55,850	57,722	199,992
Other	117,433		94,030	96,381	98,790	406,634
	2,176,432		1,962,608	1,849,367	1,910,787	7,899,194

Financial Breakdown – Capital Budget

	2005/06 £	Rollover £	2006/07 £	2007/08 £	2008/09 £	Total £
<u>Implementing IEG</u>						
Contact Centre	23,400	177,000	254,000	-	-	454,400
Development of Other IEG Initiatives	174,997	115,000	236,750	-	-	526,747
On-going Maintenance and Running Costs re IEG	-		-	-	-	-
<u>Non IEG Specific Commitments</u>						
Salary Costs	-		-	-	-	-
Serco Contract	-		-	-	-	-
IT Equipment Refresh and Licence Charges	89,623	8,000	78,000	72,000	112,000	359,623
In-House Service Costs Following Transitional	98,113		35,000	35,000	35,000	203,105
Other	-		-	-	-	-
	386,133	300,000	603,750	107,000	147,000	1,543,883

Note:

All revenue is as per budget. Mid term procedures for budget revisions are just starting and will affect sums indicated above for 2006 onward.

Figures for 2007/8 and 2008/9 have had indexation applied – 2.5% for direct costs, 4.5% for salaries

Savings exercise for the achievement of a balanced Medium Term Financial Strategy is not included and will affect sums indicated above for 2006 onward.