

BABERGH DISTRICT COUNCIL

FROM: Head of Organisational Development

REPORT NUMBER **E205**

TO: OVERVIEW & SCRUTINY
(STEWARDSHIP) COMMITTEE

DATE OF MEETING 22nd November 2005

ICT & E-GOVERNMENT PROJECTS

1. SUMMARY

- 1.1 This report summarises the progress on ICT and E-Government projects, and in particular considers the current status of the expenditure against E-Government (IEG) grant.
- 1.2 It is still not clear whether any IEG grant unspent by 31/3/2006 will need to be returned. We have assumed that this will be the case, and the e-Government Steering Group has continued to monitor our expenditure to ensure that we have the best chance of spending all of the grant by that date.
- 1.3 Several major projects have recently been started, and we are finalizing contract details within a further major project (LAMP Phase 1). Based on the estimated expenditure patterns from project managers, these projects should consume a large part of the remainder of the grant.
- 1.4 We have maintained a set of contingency projects. These are held in abeyance, but can be called upon at very short notice to spend further funds if needed.
- 1.5 Expenditure against the original ICT projects has largely been in line with plans, although those projects against which IEG grant could be allocated have taken precedence where this is not in conflict with any other corporate priorities.
- 1.6 To date, the benefits we have obtained from our IEG expenditure is in providing additional services through the web, and processing licensing services. These have produced estimated non-cashable gains of £90,000 for 2004/05, with predicted non-cashable gains of £330,000 for 2005/6. Further gains of a similar magnitude have been estimated for future years.

2. RECOMMENDATIONS

- 2.1 That the report is noted.
- 2.2 That the e-Government Steering Group continues to monitor and take appropriate action to maximise the expenditure of the IEG grant under existing delegated authority arrangements.

The Committee is able to resolve these matters.

3. FINANCIAL IMPLICATIONS

- 3.1 There is still £276,000 of the IEG grant to spend before 31/03/2006.
- 3.2 Based on an estimated minimum spend, it is still feasible to fully utilise this grant. The projects against which the fund will be used are those previously identified in our programme of work, together with some extensions to this work.

3.3 Contingency projects have been identified which can consume parts of the grant if necessary. These would be called into play towards the end of the financial year if the core projects were behind plan, and could not be accelerated. This requirement will also depend on any further information from the Office of the Deputy Prime Minister (ODPM) regarding whether actual claw-back of any unspent grant will be a reality.

4. **KEY INFORMATION**

4.1 Central government, through the ODPM, has provided a capital grant of £900,000 over the last 4 years to assist Local Authorities in achieving e-Government targets. It is possible that any part of this grant that is unspent at 31/03/2006 may be clawed back by Central government.

4.2 In addition, it has not been clarified whether this money must be spent (invoiced), or should be committed through an order. Consequently, we are assuming the worst case – i.e. all of the grant must be invoiced by 31/03/2006 in order that we do not have to return any of it.

4.3 At the end of October 2005, we have spent £624,000, of which £135,000 has been spent in 2005/6. Consequently we will have to spend a further £276, 000 over the next 5 months in order to ensure that we do not have to hand back any grant shortfall. The following analysis of figures, and the associated tactical methods to be adopted, should reassure Members that this target is achievable.

4.4 We have reviewed all of the projects that have been approved, and examined opportunities for expenditure within the set of “unspecified e-Government projects” in order to maximise beneficial spend. There were several large projects that originally formed the bulk of the anticipated IEG grant expenditure for 2005/6. These were:-

CAST contribution	£148,000
DIP/Workflow	£90,000
E-procurement	£55,000

4.5 However, the last two projects (DIP; e-Procurement) have only just started, and therefore have consumed little expenditure to-date, and the CAST contribution has been recently removed from the list. The reason for the CAST funding removal has been due to the timing of the CAST project, whereby funding requirements are now expected to be required after 31/03/2006. Consequently the £148,000 is now being sought through capital receipts instead.

4.6 In order to address the situation, a revised set of appropriate projects has been discussed and agreed within the e-Government Steering Group. These projects are listed in Appendix A. This is a more refined list than published previously, and concentrates on those projects that will be targeted for achieving the necessary expenditure. These are broken down into three priorities based on their importance within our plans.

Primary IEG Funding	High priority projects which are progressing.
Secondary IEG Funding	These include certain projects that were to be funded through capital receipts, but which we have also interpreted as e-Government related.
Tertiary IEG Funding	Projects which could be used to good effect within Babergh and against which it would be possible to spend money quickly. This largely relates to the purchase of licences for software products which support e-Government, and which have generally been included in Service and Financial Planning bids for 2006/7.

- 4.7 A spend pattern has been discussed with the relevant project managers. This has been split into a “Worst Case” and “Best Case” profile, where “Worst Case” is the least that is estimated to be spent by 31/03/2006, and “Best Case” is the most that is estimated to be spent by then. A further degree of pessimism has been added to the “Worst Case”. This still indicates that in the predicted “Worst Case” situation, the full grant should be spent by 31/03/2006.
- 4.8 Between these two extremes, the actual expenditure is being measured to ensure that this meets or exceeds the “Worst Case” figures. The third-priority projects will not be brought into play until February / March 2006 if it is clear that the full grant will not be spent. Appendix B shows the actual spend compared to the Worst and Best estimates, starting with the position prior to October 2005, and the expenditure in October.
- 4.9 In all cases, as has been happening over the last 5 months, use of the fund will be monitored and approved by the e-Government Steering Group and tactical decisions will be taken to maximise use of the grant. This will continue to be reported back to Overview and Scrutiny (Stewardship) Committee on a regular basis as required.
- 4.10 It is not possible to provide any guarantee with respect to the IEG grant, as any claw-back has not been confirmed, and the way the grant has been / will be spent cannot be given full approval until our e-Government work is finally audited. However, the approach taken to selecting projects and monitoring expenditure will provide us with a flexible approach to maximising the spend of the grant in the most appropriate manner to suit Babergh’s requirements, and which embodies appropriate governance and monitoring processes.
- 4.11 Appendix C has been attached, as requested at the previous meeting, which shows the historical spend compared to order commitment. It is intended to maintain and publish both sets of information (Appendix B, and Appendix C) for ongoing reporting purposes.
- 4.12 For completeness, Appendix D shows the position of the original set of ICT projects within the Approved budget, and the expected outturn status of these projects. As mentioned above, the need to appropriately spend IEG grant has been the overriding requirement.
- 4.13 As regards the benefits achieved within the overall spend to-date, this has been included in our IEG 5 return to ODPM. This is currently predicted at £89,850 for non-cashable gains for 2004/5, and £330,226 for non-cashable gains for 2005/6. Further gains of a similar magnitude have been estimated for future years. The IEG 5 return will be presented to Strategy on 10/11/2005, as appendix A to Paper E183, in preparation for full Council on 13/12/2005.

5. **APPENDICES**

- (a) Estimated Worst Case Expenditure Pattern vs Best Case Expenditure Pattern – Appendix A.
- (b) Expenditure compared to estimated expenditure – Appendix B.
- (c) Expenditure and Order Commitment – Appendix C.
- (d) Review of ICT-related capital budgets – Appendix D.

6. **BACKGROUND PAPERS REFERRED TO:**

Strategy Committee Paper E183 Appendix A – IEG 5 return

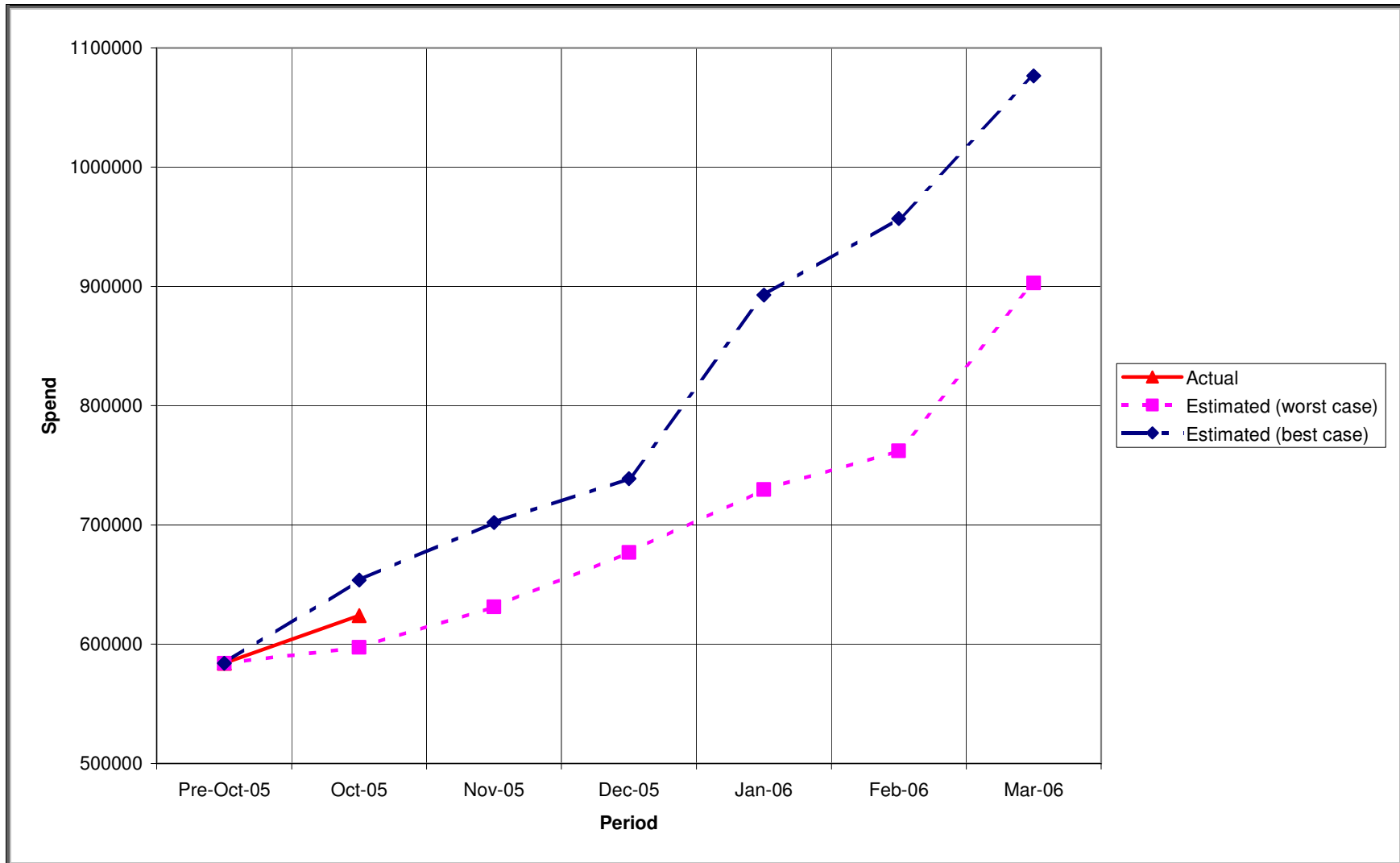
CONTACT: Robert Lavell

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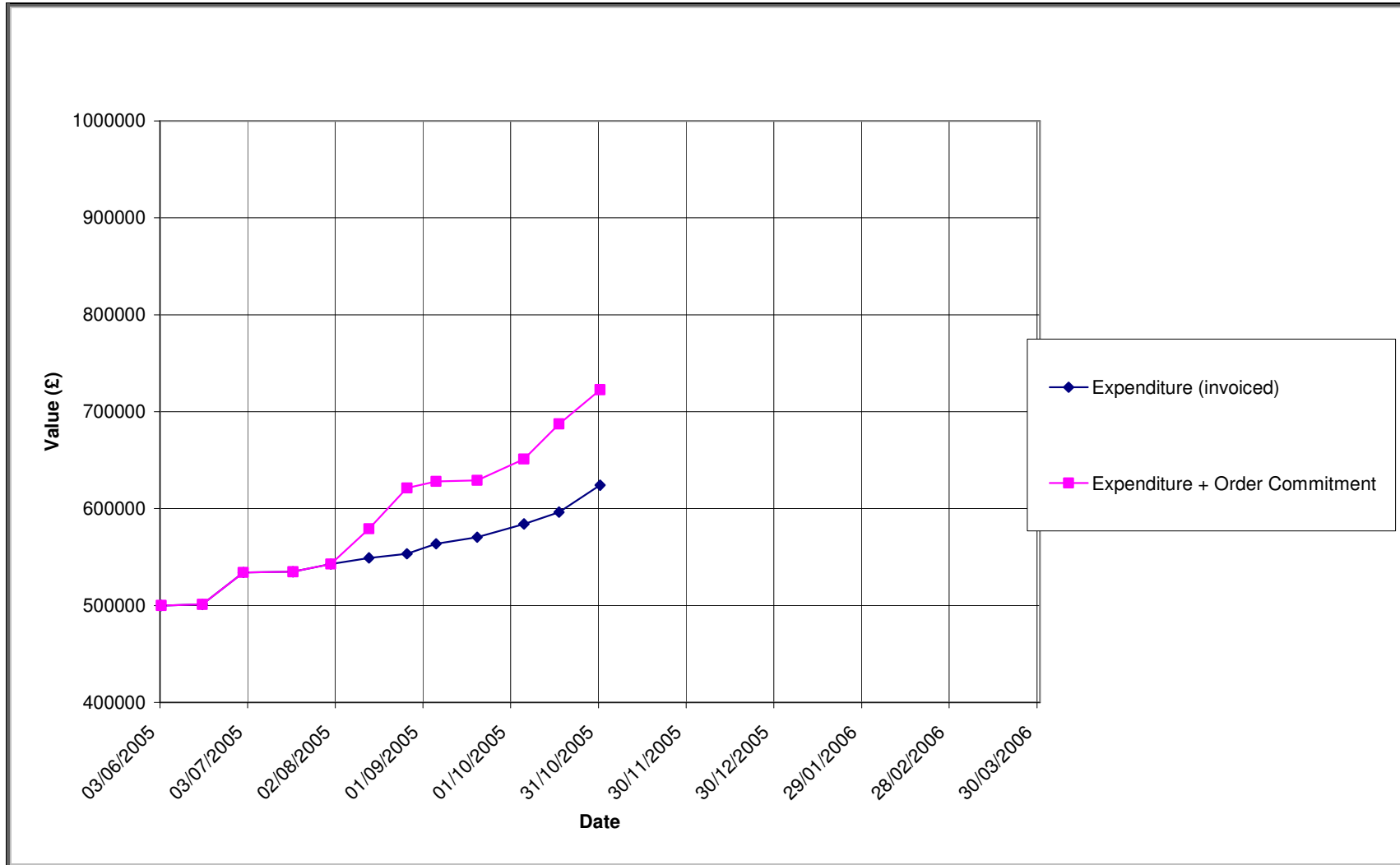
Appendix A – Estimated Worst Case Expenditure Pattern vs Best Case Expenditure Pattern

Project	Estimated (worst case)								Estimated (best case)							
	Pre-Oct-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Totals	Pre-Oct-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Totals
Primary IEG Funding																
Starting point	584066								584066							
Council chamber upgrades								0				4900				4900
Citrix pilot completion						3000		3000				3000				3000
Information officer		2577	2577	2577	2577	2577	2577	15462		2577	2577	2577	2577	2577	2577	15462
DIP for Revenues		7500		25071	25071			57642		57642		12713	5000	4000	12973	92328
Web upgrade			6000					6000		6000	3500	3500				13000
Web servers								0			2000					2000
Land Charges Data Capture		3242	3242	1500				7984		3459	3459	1800				8718
LAMP Phase 1					8600	8600	8600	25800					43000			43000
LAMP LLPG Cleansing					10000	10000	10000	30000					90000			90000
LAMP Custodian / backfill					3000	3000	3000	9000				3000	3000	3000	3000	12000
Secondary IEG Funding																
e-Procurement				14814	3500	5264	5714	29292			14814	3500	5264	5714	5195	34487
Redevelopment of Agresso platform for e-procurement								0					5000			5000
Acolnet			18400	1846				20246			18400	1846				20246
BC Handhelds							4000	4000						4000		4000
PDA's							10000	10000						10000		10000
e-Payments (other)							15000	15000						15000		15000
PAI								0						10000		10000
Licensing software - online application			3555					3555			3555					3555
Firewall upgrade for licensing								0						5000		5000
Platime replacement								0							14000	14000
IBS redevelopment								0						5000		5000
Tertiary IEG Funding																
Citrix for staff							30000	30000							30000	30000
Citrix for Members							22000	22000							22000	22000
Tablets for MT / HoS mobile working							19800	19800							19800	19800
e-mail archiving facility							10000	10000							10000	10000
Totals	584066	13319	33774	45808	52748	32441	140691	902847	584066	69678	48305	36836	153841	64291	119545	1076562

Appendix B – Expenditure compared to estimated expenditure (worst case and best case)



Appendix C – Expenditure and Order Commitment



Appendix D – Review of ICT-related capital budgets

ICT Services - Capital Programme Monitoring	Adjusted Budget	Spend 2005/6	Shortfall / (Excess) to Budget	Expected outturn	IEG funded?	Comments
Land Charges/Property Gazetteer/Land Terrier (includes NLPG additions)	43.3	34.5	8.8	43.4	Y	Will all be spent by 31/3/06
IT Renewals and purchases	42.2	18.9	23.3	42.2	N	Will all be spent by 31/3/06
Plantime replacement	14.0	0.0	14.0	0.0	Possible	Low probability of spend this financial year. Although funded by capital receipts, IEG funding could be used if necessary on the grounds that this requirement supports remote working.
E-procurement	55.0	0.0	55.0	35.0	Y	Project now started. Estimated that project will consume £55K over this year / next year, and £35K will be from IEG funds (2005/6).
Information Officer	48.2	12.1	36.1	27.0	Y	Reduced requirement due to lower Information Officer costs. Expected outturn £27K. Surplus added back to IEG pot for redistribution.
Mobile working (Citrix)	19.6	16.5	3.1	19.6	Y	Will all be spent by 31/3/06
SAGP initiatives	2.7	0.0	2.7	0.0	Y	This was to cover minor work with other Suffolk Authorities. Feedback from SAGP contacts is that such work is now unlikely in this financial year. Surplus added back to IEG pot for redistribution.
Web-site projects (includes online forms; replacement; searching; upgrade)	35.6	6.7	28.9	35.6	Y	Upgrade project started and has since consumed £22K. All expected to be consumed by 31/3/06.
Disaster recovery	35.0	26.3	8.7	35.0	N	Will all be spent by 31/3/06
Licensing software	3.5	4.9	-1.4	4.9	N	No further spend expected.
Positional Accuracy Software	60.0	0.0	60.0	0.0	Partial	This project has been delayed and will be scheduled once the outcome of the Local Authority Modernisation Programme (LAMP) investigation phase has been completed. This will not happen until around May 2006, although there may be a possibility of early spend of around £10K if a software solution can be found early within the LAMP project. If so, this would be funded through IEG grant.
e-Planning module	10.0	0.0	10.0	10.0	Possible	Planning delivery grant funded planning activity.
Acolaid	10.0	0.0	10.0	10.0	Possible	Planning delivery grant funded planning activity.
Unallocated e-planning projects	61.5	0.0	61.5	61.5	Possible	Planning delivery grant funded planning activity. May use partial contribution towards LAMP.
Council chamber rewiring	8.6	3.7	4.9	8.6	Y	Further expenditure on projection facilities and smartboard technology expected by 31/3/06.
European Computer Driving Licence	5.1	2.2	2.9	2.2	Y	No further spend expected. Surplus added back to IEG pot for redistribution.
Project management	0.0	0.7	-0.7	0.7	Y	No further spend expected.
Redevelopment of Agresso platform	26.0	0.0	26.0	10.0	Partial	Likely expenditure to support e-Procurement (£10K) + ongoing development of the Agresso platform.

ICT Services - Capital Programme Monitoring	Adjusted Budget	Spend 2005/6	Shortfall / (Excess) to Budget	Expected outturn	IEG funded?	Comments
Agresso - increased licences	8.5	0.0	8.5	0.0	N	Increased licences no longer required
Redevelopment of IBS platform	10.0	0.0	10.0	10.0	Partial	Likely expenditure to support DIP / Workflow (£10K) + ongoing development of the IBS platform.
Licensing software - online application	5.0	0.0	5.0	3.8	Y	No further spend expected. Surplus added back to IEG pot for redistribution.
Mobile working PDAs	10.0	0.0	10.0	10.0	Y	Expenditure expected by 31/3/06
Electoral services scanner	7.0	0.0	7.0	7.0	N	Budget has been spent in October
DIP / workflow (includes Document Management System)	90.0	1.8	88.2	92.3	Y	DIP/Workflow and DMS budgets combined. Originally this was planned to be partially funded by IEG grant, but now it is planned to fully fund from this grant. Project has started and consuming expenditure from October.
Unallocated e-govt schemes (includes electronic front office budget)	79.7	0.0	79.7	79.7	Y	Will be used against LAMP phase 1 and associated activities. All surplus from other IEG projects above will be added back to this pot and spent in line with e-Government Steering Group allocations.
CAST					N	
Originally IEG fund - now capital receipts	148.6	0.0	148.6	116.0		Will now need capital receipts to cover this expenditure. This is largely planned to come from e-Procurement and DIP funding which is now from IEG grant. This will allow us to carry forward any unspent budget for things like legal advice, which may be necessary after 31 March when the ODPM funding would have finished.
Support & Capacity grant funded	327.9	110.4	217.5	327.9		The ODPM recently approved a revised bid to reflect the current direction of the CAST project. It is expected that we will spend all of this grant. A contract will be let in November for the Business Process Re-engineering (BPR) pilot exercises. Most of the remaining budget is needed to support the Project Office – provided through consultants.
Change mgt (Support & Capacity grant funded)	50.0	6.2	43.8	50.0		A Principal HR Officer has been appointed and a contract will be let to buy in some consultancy assistance from Mike Bailey, as agreed by the Strategy Committee. Other consultancy support is likely to be required.
Totals	1217.0	244.9	972.1	1042.4		

IEG funded? key:

Y Yes – fully funded by IEG grant

N No – not funded by IEG grant

Partial Some of the funding is IEG grant, but other funding is either capital receipts or other funding.

Possible Although not originally to be funded by IEG grant, some or all of this project could be funded by IEG grant if required.