

THE EXECUTIVE

23 SEPTEMBER 2003

JOINT REPORT OF THE DIRECTORS OF FINANCE AND CORPORATE STRATEGY

IT FOR MEMBERS	FOR DECISION
<p><i>This report is submitted to the Executive as there is a requirement to update Members on progress with the Members' IT Project and to seek a decision on a range of issues within the purview of the Meeting.</i></p>	
<p><u>Summary</u></p>	
<p>This report provides an update on the number of Members currently connected to the Council's computer network in order to access e-mail, Intranet and Internet facilities. The report outlines the higher than expected connection charges associated with heavy usage of the facilities and suggests three options to reduce connection charges for the future.</p>	
<p>The report also identifies potential savings in the central printing budget, as part of the three year programme of cuts, which can be achieved through a reduction in the number of hard copies of agendas and increased use of agendas on the Intranet / Internet; and savings which can be made in computer training arrangements.</p>	
<p><u>Recommendations</u></p>	
<p>The Executive is asked to agree:</p>	
<ol style="list-style-type: none">1. To encourage the balance of Members to be connected to the Council's network in order to improve electronic communications, and in so doing to recognise the need to make savings to central printing budgets, as part of the three year programme of cuts;2. The take up of the European Computer Driving Licence qualification as the means for training of Members in the use of computer and software provided;3. Option A, as detailed in the report as the preferred option to move from ISDN to ADSL connection for all Members to the Council's computer network and thereby reducing usage costs. This is a spend-to-save proposal with capital investment required that will result in sustainable, predictable revenue savings on call and print charges.4. Subject to 3 above, agree the removal of telephone handsets provided when ISDN lines were installed.	
<p><u>Reason</u></p>	
<p>The above recommendations will lead to savings being generated through a reduction in central printing costs, computer connection charges and training arrangements.</p>	

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1 **Background**

- 1.1 In October 2001, funding was approved for a project to provide all Members with computing facilities for use at home. The scope of the project was to provide the following to each Member:
- A laptop PC
 - A multi-function printer/scanner/fax machine
 - A Cisco Router
 - An ISDN line from British Telecom
 - A telephone handset
 - Microsoft Office software for Word Processing, Spreadsheets and Presentation Graphics
 - Microsoft Outlook software to provide access to the Council's e-mail and diary system
 - Training to use the above software
 - Further training up to an officially recognised qualification level, the European Computer Drivers' Licence, to those Members who wanted it
- 1.2 Some Members have requested additional equipment over and above that which was approved for the project, such as personal organisers or colour printers. These requests have been turned down as they were outside the scope of the project.
- 1.3 With local elections due in May 2002, it was considered imprudent to proceed with a major rollout of the technology until the election results were known. However, ten Members who had previous experience of PC usage were selected to pilot the arrangements prior to the elections.
- 1.4 Although quite an expensive solution in terms of up-front cost, the means of communication with the Council's computer network was carefully chosen. Using ISDN (Integrated Services Digital Network) from BT and a router in the Members' homes allowed communication to be simply effected without using the public Internet.
- 1.5 The solution makes a secure connection automatically when required (only allowing devices known to the system to connect) and terminates automatically after 6 minutes if the line is not being used. The effect is like being located in one of the Council's office buildings, albeit with slower access to the services. However, access can be provided to all the facilities available to staff, including a route to the Internet via the Council's safe connection through its Internet Service Provider.
- 1.6 The communication is a direct connection between the Member's PC and a router at the Civic Centre. This is important as exposing our network to the public Internet makes the Council vulnerable to hackers.

- 1.7 The ISDN line attracts a quarterly rental of £99 and can also be used for inbound or outbound telephone calls (via the handset provided) simultaneously with the data connection. The connection time for voice and data use is chargeable (as a normal telephone line would be) at a cost of 4.2p per minute. A notional cost of £200 per Member per year was identified in the report as a likely charge for the connection time to collect and deliver e-mails, equivalent to 13 minutes per day.

2. Current Position

- 2.1 Forty-four Members currently have a PC in their home. Members who have chosen not to receive any IT equipment are unable to access any of the councils Intranet services, including agendas and minutes on line, as well as increasingly being outside of the Council “communication loop” without access to e-mail.
- 2.2 A questionnaire was devised in conjunction with the then Lead Member Councillor Porter and Councillor Barns and was sent (via Member Services) to all Forty-four participating Members to ascertain their views of the success of the project. A copy of the questionnaire is attached as appendix 1. An analysis of the results is attached as appendix 2.
- 2.3 The principle behind this project clearly centres on improving the speed of direct communications with Members. The problems of more traditional forms of communication were highlighted as part of the recent scrutiny review of the Scheme of Delegation, where it was concluded that in order that Members can undertake fully their duties as elected representatives of the community to which they serve, there needs to be a review of the forms of communication used by officers. E-mail was singled out as the best option.

3. Agendas and Minutes Online

- 3.1 Obviously, as with any project of this nature, it is very important to consider the long-term cost benefits. Members will be aware of the need for all service areas to make cost savings over the next three-years. The printing budget for Democratic Support is one area where Members’ have already accepted that significant savings will be required over the next three years (a cut of the order of 40%).
- 3.2 Last year, Democratic Support purchased a a new IT package known as Modern.Gov, with the initial aim of allowing Council agendas and minutes to be easily accessed via the Web. All Members who are on line can directly access committee papers. Therefore the proposal is that in future only Members appointed to a committee will be provided with hard copies of agendas, with other Members and officers having the option to download required agendas and reports from the Intranet.
- 3.3 To give Members’ an idea of the costs involved, if the Executive agenda were only to be made available in hard copy to the Members of the committee, attending officers, and those Members not on e-mail, together with a number of public copies, then based over a year a saving in the order of £15,000 could be achieved. For call-in purposes all other Members would have the facility to view and print reports via their own laptops and printers provided. In the majority of instances Members will only need to view a particular report on screen and print off a copy if required.

- 3.4 If this practice were adopted across the political structure then significant level of savings required in the printing budgets over the next three years could be achieved. In the circumstances the Executive is asked to encourage those Members who are still yet to participate in the use of IT supplied by the Borough.

5. Training

- 5.1 The pilot Members used one-to-one coaching from an external source, to bring them up to speed on the use of the facilities. This was expensive but mainly well received because it could be timed to suit individual Members.
- 5.2 The balance of the Members used a more cost-effective arrangement; using the same external training company as is used for training officers, and involving a classroom environment of up to eight trainees at a time. The training was still well received but unfortunately less available to suit the times that the Members could attend, which has caused some adverse comment.
- 5.3 The European Computer Driving Licence is being piloted by the Social Services Department as a qualification for all staff who use computer technology. This will be extended to other departments of the Council in due course to ensure that the maximum return is gained from the investment in computer systems. The cost of providing this for Members can be met from existing resources.

5. Connection Costs

- 5.1 Despite the fact that connection time had been identified as an additional charge in the original report to the Executive, many Members were under the impression that the use of the facilities was free (i.e. unlimited access at a fixed price per month). With hindsight, it is apparent that staff installing the technology in Members' homes should have reminded them of this fact.
- 5.2 The Guide for Members on the Use of Resources, Facilities and Equipment has since set out some general principles relating to home computer equipment, such as:
- In general the equipment is provided for use by Members for Council business.
 - Members should not allow unreasonable use of any equipment by family or friends.
 - The telephone line may be used for incoming calls outgoing faxes, but not for outgoing calls [the Members' basic allowance , as per national guidance, is intended to cover incidental costs such as the use of Members' homes and telephones].
 - Members' may use the computer for personal emails and the Internet for personal as well as Council purposes provided they are accessed through the Council system as installed by the IT system.
 - Members should keep a note of any fax calls in case of later query.
 - Members should note that any bills, which are considered to be excessive, will be brought to the attention of the Chief Executive who will liaise with the Member concerned and seek reimbursement for any exceptional personal usage.

- 5.3 The amount of use that some Members have made of the facilities has come as a surprise. It could be that an alternative arrangement should be sought for these Members so that the connection charges can be eliminated and a fixed cost solution substituted. When the original research was undertaken, there was no fixed charge unlimited access solution available that avoided the use of the public Internet to provide the connection to the Council's network. This is no longer the case.
- 5.4 BT now offers a commercial ADSL service (Asymmetric Digital Subscriber Line) in addition to its home service. ADSL is an enhancement of ISDN technology to put broadband digital signals onto telephone lines, in parallel with the existing telephone service.
- 5.5 ADSL would allow Members up to eight times faster access to the Council's network, and consequently the Internet, from home without restriction for a fixed monthly charge.
- 5.6 Three options have been submitted to Councillors Porter, Kallar and Fairbrass outlining the pros and cons. The general view has been to opt for option A, because it is a low risk, all in house, solution with one help desk support number to ring. The options, the five year costs of which are summarised on appendix 3, are:

5.6.1 Option A - Point to Point 512K BT IP Stream Broadband

This involves each Member being connected to BT at a line speed of 512 KB per second. A 2 MB per second dedicated pipe from BT would provide connectivity to the Council's network. The detailed costs are shown as Appendix 4.

The costs involve a fixed 51 line connection charge of £16,260 plus an annual line rental of £45,720. However, it does provide a secure point-to-point connection between the Members' homes and the Civic Centre, without involving the public Internet. It would also allow Members to continue to log in to the Council's network in the same way as they do at the moment and would provide the following benefits:

- Low risk, all in house solution.
- Only one helpdesk support number to ring.
- Automatic monthly update of virus software.
- Internet content filtering.
- IS&T can produce audit trails on each Member if required.
- Maximum contention ratio on broadband of 12.5:1, meaning a much higher guaranteed line speed (four Members using the service at once would get the full 512 KB per second speed). Further concurrent users would suffer a proportional line speed degradation.

5.6.2 Option B - BT Business Broadband 512K

This is a business based version of the normal home broadband service. The detailed costs are shown as appendix 5. The installation costs for 51 Members are £12,699 plus 51 personal firewalls at a total cost of £2,550, 51 broadband modems at a total cost of £4,080 and 51 personal authentication software packages at a total cost of £1,224. The total annual rental charge is £27,540. All costs are billed to the business (the Council) for all connections and the response time from BT in the event of problems is business rather than privately related. The connection to the council involves use of the public Internet, with the security implications that entails.

Pros

- Cheap compared to ISDN
- Faster connectivity compared to ISDN
- LBBB IS&T will be able to manage the installation with BT
- Standard business SLA will be provided by BT – eight hour fault fixing

Cons

- Medium risk not all in house support
- Internet access will be supported by BT
- LBBB access to e-mail and Intranet via BT Internet
- Main technical support will have to come from BT
- No Internet content filtering
- Audit trail not available on sites visited
- Firewall software required on all Laptops
- Logging on to LBBB only via Citrix
- Contention ratio on broadband up to 20:1

5.6.3 Option C - BT Home Broadband 512K

Option C is the cheapest solution of all. The detailed costs are shown as appendix 6. This is the solution that private home users of broadband are supplied with. Each Member would have to apply to BT for their personal connection and be billed individually each month for the rental charge. The connection charge is a total of £3,060, plus 51 personal firewalls at a total cost of £2,550, 51 broadband modems at a total cost of £4,080 and 51 personal authentication software packages at a total cost of £1,224. The annual rental is a total cost of £23,868. The response from BT to problems would be on the basis of “best endeavours”.

Pros

- Cheap compared to ISDN and Private Business broadband
- Faster Connectivity compared to ISDN

Cons

- Medium Risk not all in house support
- Each Member will have to apply and be billed for their own broadband connection
- Internet access will be supported by BT
- LBBB access to e-mail and Intranet via BT Internet
- No SLA or guarantee of service.
- Main technical support will have to come from BT
- No Internet content filtering
- Audit trail not available on sites visited
- Firewall software required on all Laptops
- Logging on to LBBB only via Citrix
- Contention ratio on broadband up to 50:1

- 5.7 Appendix 3 shows the costs over a five-year period. However, it also shows that savings can be made in the first year from adopting any of the three options. Despite being the most expensive, it is recommended that the Council proceed with Option, A which provides the most secure access, the simplest connection and the most resilient service and support.
- 5.8 The initial one-off ADSL installation cost of £16,260 can be capitalised and funded from the e-government budget. There will be an annual revenue savings of £5,484 over the current ISDN revenue cost as a direct result of implementation, with delivery additional expected savings of £15,000 plus to be met from previously budgeted reductions in expenditure on central printing costs.
- 5.9 The broadband project can be implemented within 7 months from start to finish.

Post Implementation Survey on the use of IT for Members

Are you satisfied with the IT Equipment Supplied by the borough? Yes No

Comments

How often do you logon to the LBBD Network. Daily Once a week Occasionally

Which of the following applications programmes have you used to date.

Microsoft Outlook for E-mail

Microsoft Internet browser for access to LBBD Intranet and Internet

Microsoft Excel for spreadsheets

Microsoft PowerPoint for presentations

Microsoft Word for Documents

IT Support

Have you used our helpdesk on extension 2013 for logging support calls Yes No

How do you rate the computer support provided Excellent Good Fair Poor

Comments on IT support

IT Training

How do you rate the IT training provided by the borough.

Excellent Good Fair Poor

Have you used the ECDL computer based training material that was installed on your Laptop.
Yes No

If yes, have you found it useful. Yes No

Have you found the piloted CBT training material (Word /Excel/ Power Point) by Net-g useful
Yes No **(Piloted out by the Exec Members only)**

How would you like to receive further IT training.

- All day group training
- Half day one to one training
- Apply for training as required
- Monthly IT Surgeries for brief discussion on problems

Mobile Computing

If there was a facility available to access your e-mail/calendar/internet from anywhere in the UK via a mobile phone and portable hand held device such as Compaq IPAQ would you find this useful.

- Yes No

Are there any areas of IT that you wish to comment on that are not covered by LBBD or needs investigating which in turn will benefit the council?

Any other comments or suggestions

Name

Thank you for completing the questioner. Please return it to Member's services, Civic Centre, Dagenham or e-mail it to members@lbbd.gov.uk.

Survey Results

No of Survey Sent	43				
No of Surveys Recd	28				
Satisfied with It Kit	Yes	No			
	24	4			
How often is the laptop used	Daily	Once a Week	Occasionally		
	22	3	3		
What Applications are used	Outlook	Internet	Excel	Power Point	Word
	26	22	8	5	24
Logged call on Helpdesk	Yes	No			
	13	15			
IT Support & Training	Excellent	Good	Fair	Poor	No Comments
Computer Support	10	11	4	1	2
IT Training	5	13	3		7
	Yes	No			
ECDL Training Used	4	24			
ECDL Training Useful	4	24			
Net-G Training - Useful	4	24			
Further Training	All Day Group	Half Day Individual	Apply as Reqd	Monthly IT Surgries	No Comments
	1	8	18	8	3
Mobile Computing	Yes	No			
	15	13			

Summary of Financial Costs of Switching from ISDN Service to ASDL Service

5-year Cost Projections

	Option A Installation of BT IP Stream 512k Broadband	Option B Installation of BT Business Broadband 512K	Option C Installation of BT Home broadband 512K
	<u>£</u>	<u>£</u>	<u>£</u>
Proposed Costs (5 years)	244,860.00	158,253.00	130,254.00
Current Costs (5 years)	256,020.00	256,020.00	256,020.00
<u>Saving</u>			
Year 1	10,776.00 (None)	(3,111.00)	(16,422.00)
Year 2	(5,484.00)	(23,664.00)	(27,336.00)
Year 3	(5,484.00)	(23,664.00)	(27,336.00)
Year 4	(5,484.00)	(23,664.00)	(27,336.00)
Year 5	(5,484.00)	(23,664.00)	(27,336.00)
Total (5 years)	(11,160.00)	(97,767.00)	(125,766.00)
Saving per Member	(218.82)	(1,917.00)	(2,466.00)

Option A - Installation of BT IP Stream 512k Broadband

	Year 1		Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£	£
<u>Proposed Costs</u>							
<u>Set-up Costs</u>							
One off Connection Charge for Voice and Data (£260 x 51 members)	13,260.00						
Central Connection Charge	3,000.00	16,260.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>							
Broadband line rental (£45 per month x 12 months x 51 members)	27,540.00						
Telephone line rental (£15 per mth x 12 months x 51 members)	9,180.00						
Central Connection Charge - Annual Sum	9,000.00	45,720.00	45,720.00	45,720.00	45,720.00	45,720.00	
Total Annual cost for 51 Members excluding telephone call charges		61,980.00	45,720.00	45,720.00	45,720.00	45,720.00	244,860.00
Total cost per member excluding telephone call charges		1,215.29	896.47	896.47	896.47	896.47	
<u>Current Costs</u>							
Annual Average ISDN cost per member		1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges		51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL		10,776.00	(5,484.00)	(5,484.00)	(5,484.00)	(5,484.00)	(11,160.00)

Option B - Installation of BT Business Broadband 512K

	Year 1		Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£	£
<u>Proposed Costs</u>							
<u>Set-up Costs</u>							
One off Installation/Connection Charge cost for Voice and Data	249.00						
Broadband Modem	80.00						
Personal Firewall software	50.00						
Security Authentication software	24.00	403.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>							
Broadband line rental (£30 per month x 12 months)	360.00						
Telephone line rental (£15 per mth x 12 months)	180.00	540.00	540.00	540.00	540.00	540.00	
Total cost per member excluding telephone call charges		943.00	540.00	540.00	540.00	540.00	
Total Annual cost for 51 Members excluding telephone call charges		48,093.00	27,540.00	27,540.00	27,540.00	27,540.00	158,253.00
<u>Current Costs</u>							
Annual Average ISDN cost per member		1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges		51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL		(3,111.00)	(23,664.00)	(23,664.00)	(23,664.00)	(23,664.00)	(97,767.00)

Option C - Installation BT Home broadband 512K connection

	Year 1		Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£	£
<u>Proposed Costs</u>							
<u>Set-up Costs</u>							
One off Installation/Connection Charge cost for Voice and Data	60.00						
Broadband Modem	80.00						
Personal Firewall software	50.00						
Security Authentication software	24.00	214.00	0.00	0.00	0.00	0.00	
<u>Annual Costs</u>							
Broadband line rental (£27 per month x 12 months)	324.00						
Telephone line rental (£12 per mth x 12 months)	144.00	468.00	468.00	468.00	468.00	468.00	
Total cost per member excluding telephone call charges		682.00	468.00	468.00	468.00	468.00	
Total Annual cost for 51 Members excluding telephone call charges		34,782.00	23,868.00	23,868.00	23,868.00	23,868.00	130,254.00
<u>Current Costs</u>							
Annual Average ISDN cost per member		1,004.00	1,004.00	1,004.00	1,004.00	1,004.00	
Total Annual cost for 51 Members excluding telephone call charges		51,204.00	51,204.00	51,204.00	51,204.00	51,204.00	256,020.00
Overall Additional Cost/(Saving) of Implementing ASDL		(16,422.00)	(27,336.00)	(27,336.00)	(27,336.00)	(27,336.00)	(125,766.00)