

Stretched to Breaking Point

Still no place at the 'top table' and trouble ahead. Helen Olsen finds stress on the ICT front line at the launch of Socitm's latest IT Trends research.



On the day that Gartner announced expectations for a growth in worldwide IT spend of 4.6% in 2010, Socitm launched its IT Trends in local public services report 2009/10 – charting a decline in council ICT budgets of more than 11% since 2008 and predicting a further downward slide in 2010.

Overall ICT expenditure now stands at £2.8bn, and staffing levels are reduced by 10% - but service demands are significantly growing from citizens feeling the pressure of a nation in recession.

According to report author, Socitm's John Serle, "This level of reduction is unprecedented in the 23 years we have now been monitoring trends."

The only, rather interesting, anomaly in the downward trend is communications – where a 7.5% increase in spend is expected, no doubt fuelled by Digital Britain and Cloud ambitions and the need to deliver mobile and flexible working in order to deliver cost savings.

The report, 'Stretched to Breaking Point', finds that sources of external funding have dried up post e-gov era and efficiency savings within ICT are declining. Organisations will, it suggests, 'either need to find more cash to support the ageing ICT infrastructure or find new lower-cost ways of delivering ICT services'.

The promised land of cost slashing shared services has failed to materialise: 'Political rather than practical constraints appear to be the main barrier to progress.'

Says Serle, "Our survey indicates that savings achieved by efficiency programmes are already in decline. We cannot identify how further large scale savings can be achieved without cutting into front line services."

This stark reality contrasts markedly with last year's report, which was perhaps overly optimistic on the prospects for local authority IT in predicting a 5% increase in spend for this period.

Indeed, post e-gov the IT trends reports' titles have gone from a confident 'e lift off' (05/06) and ambitious aims to complete the 'modernisation of public

services' (06/07) through a reality check of 'doing more with less' (07/08) to enter 'unchartered waters' (08/09) and arrive at the current assessment that the local government ICT function is 'stretched to breaking point'.

This is the 23rd annual IT Trends report – a survey universally acknowledged as being the most comprehensive and 'real' assessment of the state of council ICT. Where other market reports extrapolate from relatively small samples, Socitm is in the enviable position of being able to marshal its head of IT membership to complete in-depth questionnaires. For the current report 390 frontline service organisations responded. There is little need for extrapolation when, for example, 93% of all county councils, 85% of London boroughs and 70% of all districts file a response. Indeed, with the exception of Northern Ireland, where only 27% of councils responded, a minimum of seven in ten of every council type in the UK participated.

Weighty and comprehensive to say the least. All the more cause for concern, therefore, that ICT managers feel under siege and that the current eerie calm is just the nervous inaction before the storm that will be what follows the general election. Whoever wins, post election there will be cuts: the front line is bracing.

Of equal concern is that ICT managers didn't see this coming. Despite claims in the executive summary of this latest report that 'We predicted last year that spending on ICT would be cut' this is not so. Last year's summary reported: 'This year's results show a further overall spending increase topping the previous record year 2005. The forecasts for future spending are also broadly optimistic.'

Last year's summary continued, 'Whilst the current financial instability may be having a negative impact on staffing levels in businesses throughout the UK, it is unlikely that the crisis will have a direct negative impact on ICT staff directly employed by local government in the short term.'

Instead, against the backdrop of recession, the picture from the ICT front

line today is one of 'belt tightening'.

Despite the drops in budget and staff numbers, however, there appears to be an ambition to use technology more innovatively and a clear move towards using skilled ICT staff more efficiently – the number of staff using mobile and home working technology is rising.

Said Serle, "It is no longer possible to meet the challenge by just doing what we were doing better. We now need to rethink what we do."

Indeed, just as in the private sector, public sector frontline service CIOs are focused on improving business processes, reducing cost and improving workforce effectiveness.

Self-service 'is the most promising avenue for delivering cost reduction and change'. Respondents are now focused on using both established technologies in innovative ways and leading edge technologies to transform services. But this may not be enough, says Socitm – what is needed now is 'new ways of working that can deliver change and benefit at a much faster pace'.

Serle identifies cloud computing, software as a service and utility computing as offering significant potential for delivering savings. But, he says, such new technologies "will introduce new risks" into the equation, such as uncertainty in service standards, issues of data ownership and security, and an as yet unknown ability to control and manage demand.

Serle remains convinced that the risks can be managed and the rewards will be worth the effort of doing so. Despite this, Socitm "has misgivings" about 'G-cloud' – especially over the likelihood of it delivering savings within the three years specified in Digital Britain.

Interestingly, despite the ruffled feathers and strident objections to 'being told what to do' by central government, the survey reports a significant increase in focus on security post DWP's mandating of its CoCo (code of connection) standard for hooking up to the Government Connect Secure eXtranet (GCSX). This mirrors the findings of LGITU's survey at

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