

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Overview and Scrutiny Management Board
Date:	30 August 2018
Subject:	Corporate Support Services Re-provision: Update on ICT Soft Market Testing and Staff Engagement

Summary:

This report provides an update on the soft market testing that has been undertaken to help inform the Council's decision making process regarding the delivery of IT services from 2020. It also provides a summary of the internal engagement sessions that have taken place to help provide an understanding of the current and future IT needs of the Council.

Actions Required:

The Overview and Scrutiny Management Board (OSMB) is invited to consider the attached report and provide feedback on the points raised.

1. Background

In line with the authority provided by the Executive on 1st May 2018, work has been undertaken to *'carry out market engagement and all ancillary activity with IT providers'* in order to assist the Council with informed decision making about whether to pursue a procurement for ICT service delivery beyond 2020 using the framework identified in the decision paper of 1st May.

A leading public sector ICT service and procurement advisor, who has extensive experience of successfully undertaking this activity with a number of other local authorities, was commissioned by the Council to lead on this activity. Work has included the development of a high level service design, a market update to inform potential providers of our requirements and subsequent direct engagement with providers in order to establish whether there is a viable procurement option for the Council.

There has been extensive engagement with internal stakeholders from across the Council to develop a thorough understanding of our current and future ICT requirements.

This report provides an update on both the external and internal engagement that has been conducted.

1.1 External Engagement - Soft Market Testing

The route which the Council would embark upon, should a decision be made to procure ICT services beyond 2020, was outlined in the decision paper approved by the Executive on 1st May. This paper identified a Crown Commercial Framework (RM3804) as the recommended route should a procurement proceed as this framework is designed for public sector ICT Managed Services, is used by both local and national government and comprehensively covers public sector ICT managed service requirements.

Given the preferred procurement route, soft market testing was directed at providers on this framework and a market update document was issued to all 72 providers registered on the appropriate lot of the Crown Commercial Framework. The market update included a high level service design for our ICT services from 2020 and detailed the scope of the procurement in terms of services and scale as well as a broad indication of the likely minimum and maximum costs anticipated by the Council. The market update also set out the process for soft market testing.

Following the issue of the market update, 19 providers contacted the Council by email to express their initial interest and/or develop a better understanding of the prospect. The purpose of this first contact is for potential suppliers to gather more specific information which they feel is relevant to their company's assessment on the likelihood of them proceeding with a bid should the procurement come to the market. Following the initial email exchanges, 16 of these providers ' contacted the Council at this early stage and expressed their interest in progressing with the market engagement by requesting a conference call with the project team.

During the conference calls providers asked for more detailed information and presented their opinions on issues such as the procurement route, service design models, the scope of services to be included, anticipated and required investment levels, the Council's aspirations and vision as well as the likely timeframes for any potential procurement.

After these calls, 7 potential providers felt more confident that if a procurement of this nature came to market, their company would be able to provide the range of services covered and they would be likely to invest the resources required to participate in the procurement process. These 7 providers went on to participate in face to face meetings with the project and service team to further explore the potential procurement. During this stage, 2 of the providers expressed some concern about their ability to provide the scope and scale of services required and wanted to further consider their position before progressing further with the market engagement.

Five providers expressed an interest in progressing to the final stage of the soft market testing which involved a face to face session with an extended audience from the Council including the Leader and Executive Councillor as well as additional senior officers. These providers presented a range of potential service

delivery models and the discussions that followed helped the Council to develop a clearer understanding of how to maximise competition in any procurement.

The final face to face sessions that took place during the soft market testing included consideration of issues such as:

- Potential operating models
- Ability/view to deliver:
 - a core managed ICT service
 - IT modernisation
 - digital/citizen transformation
- The potential procurement route and commercial considerations.

The procurement principles explored with providers, officers and members during the soft market testing are now being finalised.

1.2 Internal Engagement – Stakeholder Workshops

Alongside the external soft market testing that has been undertaken, extensive internal stakeholder engagement has also been conducted. This has been designed to develop a clear understanding of the key business imperatives that must form part of the future core managed ICT service as well as the additional outcomes, projects and roadmap that are required for the Council to achieve its ambitions. The current strategy and work plan will be tested against the findings.

Invitations to workshops were issued to all senior officers across the Council (Chief Officers, Assistant Directors and Heads of Service). A number of 'leading lights' were nominated by the leadership team to provide insight and ideas regarding our ICT requirements. The key 'application owners' from service areas were also invited to the workshops to provide further contributions regarding the use, support and development of the essential IT systems which enable service delivery. In addition to the staff engagement workshops, two member sessions were also held for Councillors from the Overview and Scrutiny Management Board (OSMB), the Members IT working group and the Executive.

Between 28th June and 23rd July 2018, 79 delegates (63 officers and 16 members) attended 11 separate workshops. 1025 comments were received during 31 hours of discussions. All service areas across the Council were represented by at least one delegate and there was a spread of representation across the four Director Areas plus the Chief Executive Office as set out below.

- Adult Care and Community Wellbeing - 11
- Children's Services - 11
- Environment & Economy – 22
- Finance & Public Protection - 16
- Chief Executives Office - 3

The workshops took the form of a facilitated discussion covering:

- What ICT needs to do to support each service area (both pre 2020 and beyond)
- How the IMT department and our partner currently support services
- ICT transformation required within the Council (both pre 2020 and beyond)

The findings are currently being analysed and will be presented as themes to the Council's senior leaders for their consideration of ICT services both pre 2020 and beyond. A summary of the contributions will be provided to the delegates that took part in the sessions in order to illustrate to them how what they said will be utilised moving forward.

2. Next Steps

The procurement principles explored during soft market testing are now being finalised by officers taking into account the providers feedback and the steer provided by the Council's senior leadership team. The principles for a potential procurement option, along with the benefits, risks and likely costs will be presented for consideration by the Overview and Scrutiny Management Board in September as part of the pre-decision scrutiny report for the future commissioning of corporate support services which will be presented to the Executive on 2nd October 2018. The Stakeholder Engagement and OSMB review of it will inform the IMT strategy which will be presented to the Council later in the year.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

In progress

b) Risks and Impact Analysis

An Impact Analysis is being carried out for the Corporate Support Services Programme and will be included in the reports for OSMB and the Executive in September / October 2018.

4. Background Papers

Document title	Where the document can be viewed
Corporate Support Services Re-provision (Executive on 1 st May 2018)	Via the main LCC website Search committee papers for the 1 st May 2018 Executive, or follow the direct link below. http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=121&MId=4968&Ver=4

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