



Transformation Programme

Corporate Support Services Review - IMT

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Future Delivery Options for IMT Services:
Overview and Scrutiny Management Board

Andrew Crookham & John Wickens

28th April 2022

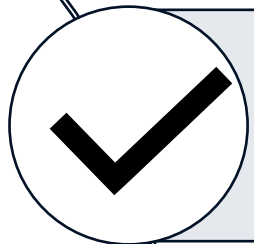


Agenda Item 8

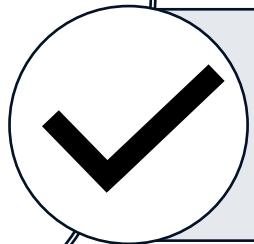
Action Required

We would like OSMB to consider the Executive report on future IMT service delivery to determine whether the Board supports the recommendations and agree any additional comments to be passed on to the Executive in relation to this item.

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The Executive report recommends a multi-supplier IMT service delivery model involving external suppliers who are specialists in specific areas of IMT service delivery, supplemented by some in-house delivery. This would involve:

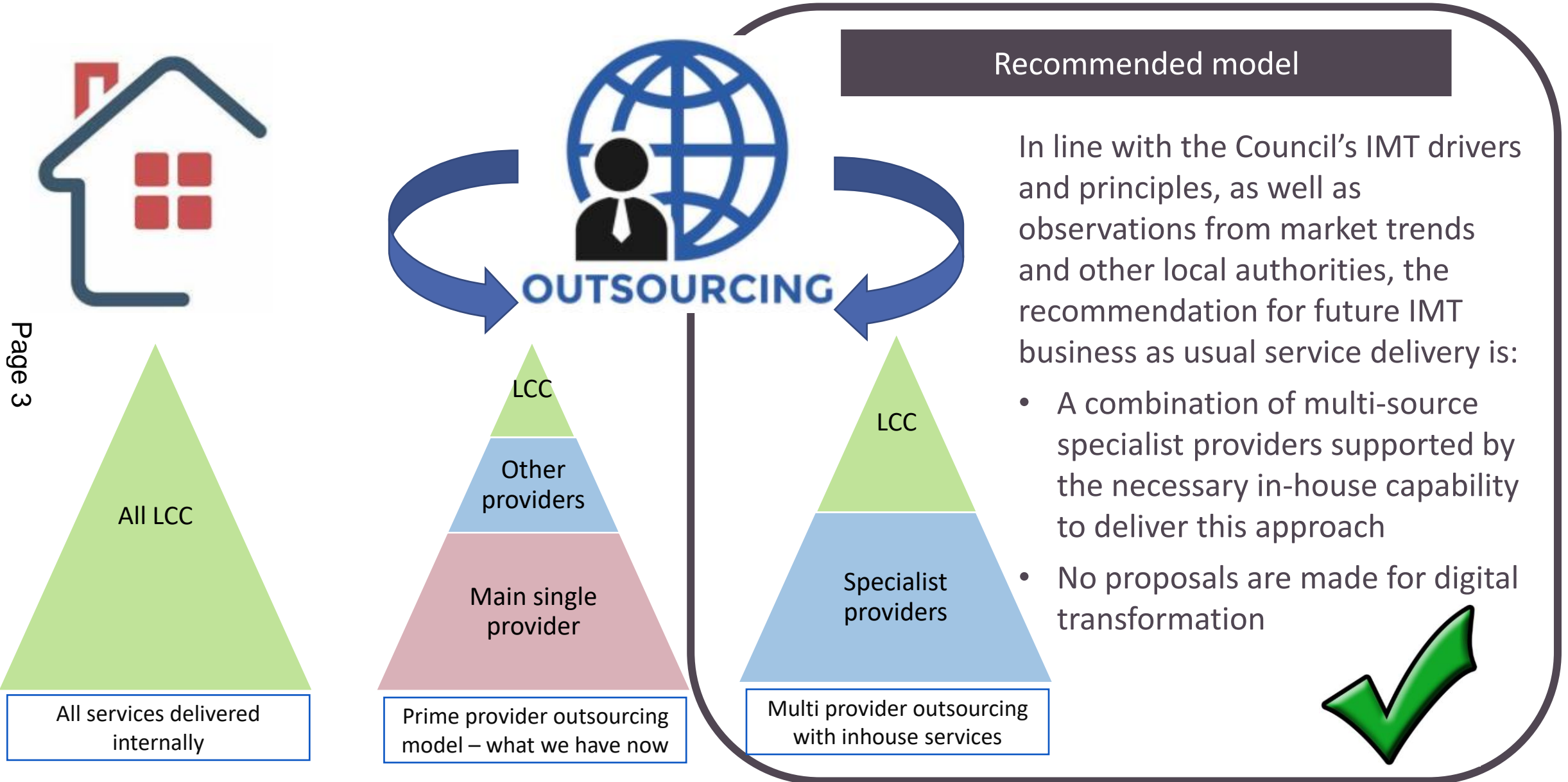


The outsourcing of the following IMT services to external suppliers: i. Support Desk and Operations (including end user device management and device security services) ii. Managed Cloud Services and Enhanced Security Services



The insourcing of the following IMT services: i. Service Integration and Management (SlaM) ii. Application Support iii. VIP Support iv. Technical Operations (datacentres) v. Vendor and Licence Management

Future Delivery Options & Recommendation



Drivers for Change

- Growing need for agility and the ability to manage ongoing and accelerating change

Operational



- Shift to the cloud, services, technical specialism and expertise, increased innovation & product development by global market leaders

Technical



- Market has changed: limited 'prime providers' and now act as a broker - in danger of adding cost but not value

Commercial



- Realise the Council's digital vision
- Strengthen security, manage information and protect data integrity

Council needs



Given the changing nature of IMT services, these drivers explain the compelling reasons to change our service delivery model in 2024

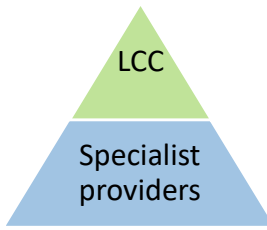
Work already done reduces the risk of this change – eg growing shift to 'software as a service', implementing Microsoft 365 and Azure along with our unified support agreement with Microsoft.



We don't expect a step change in the overall IMT budget



Future Delivery Recommended Model: Multi Source



Specialist Provider for IMT business as usual services	LCC
<ul style="list-style-type: none">• IT service desk• End User Computing• Local Area Network (LAN)• WiFi• Managed Cloud Services• Enhanced Security Operations	<ul style="list-style-type: none">• SlaM• Application Support• VIP Support• Technical Operations (datacentres)• Vendor & Licence Management
	Already in house LCC - Architecture, Strategy & Commissioning; Business Engagement; Governance & Risk Management; Data Service; Project Portfolio Management

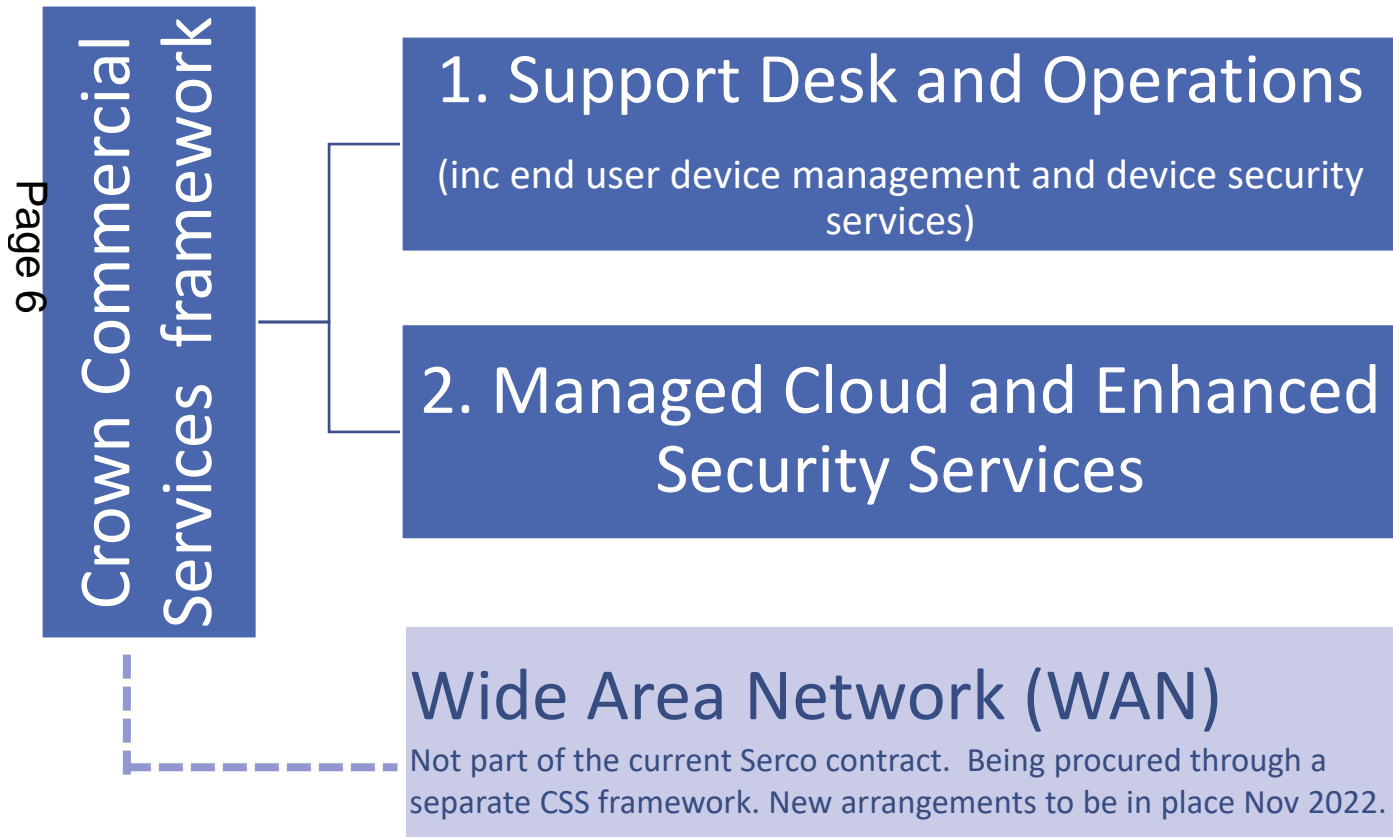
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The model also aligns with the Institute of Government recommendation (2020) to outsource when there is a need to:

- Leverage greater scale and efficiencies from a market operating at scale
- Draw on innovative new approaches and expertise
- Fill an internal gap in resources and subject matter expertise
- Deliver a service which the Council cannot or is not ready to do and there is a market available

Procurement Approach for IMT Business as Usual Services

The Crown Commercial Service (CCS) is an executive agency and trading fund of the Cabinet Office. It is responsible for managing the procurement of common goods and services, increasing savings for the taxpayer by centralising buying requirements, and leading on procurement policy on behalf of the government.



The Council has experience of using this approach and the proposed model includes two 'towers' of services to be procured using the CSS framework.

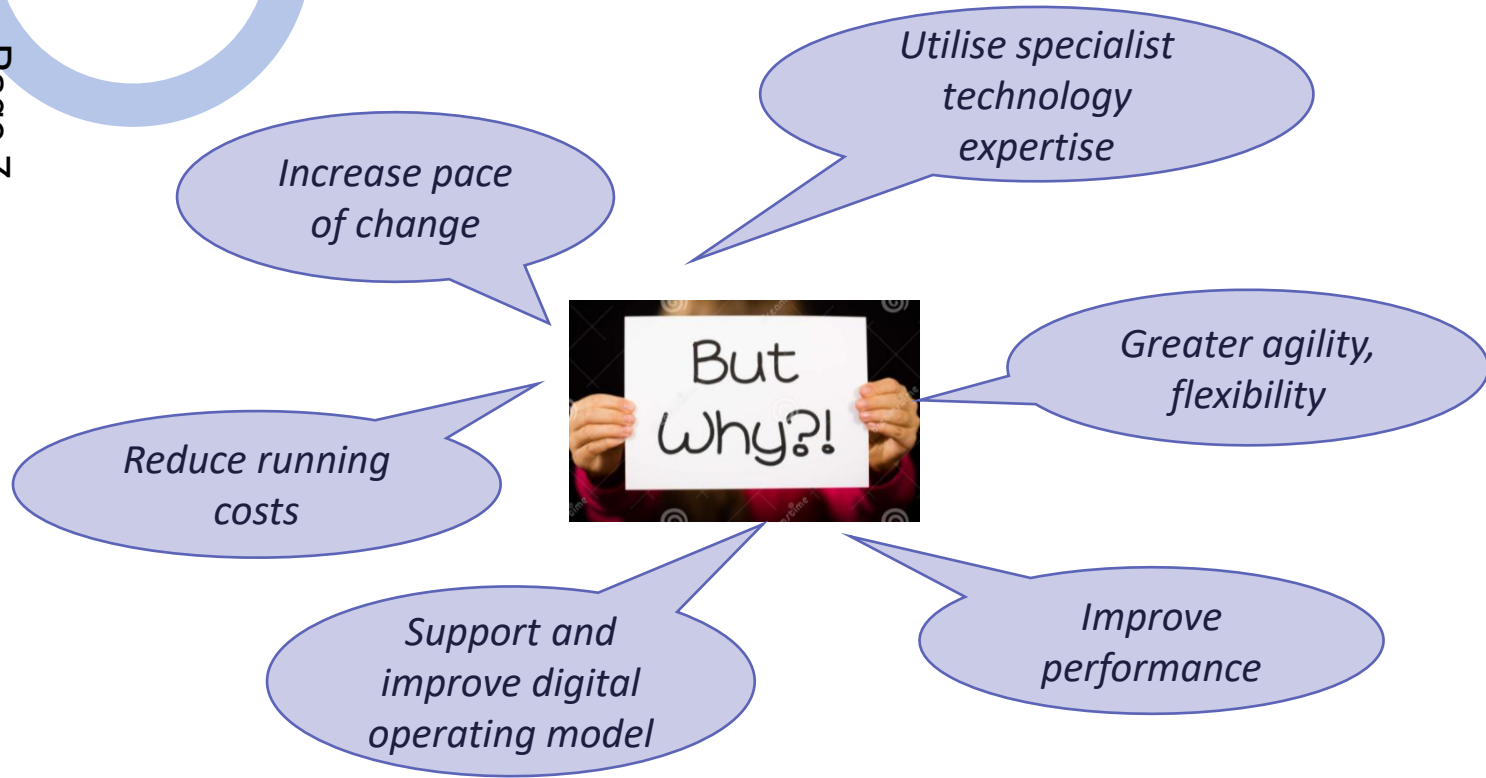
The G-Cloud framework may also be a suitable route to procure services particularly for the security and cloud management services and some of the third-party support contracts that will be required.

Government Public Bodies & Other Authorities



Five year trend:
 Breaking up large IT contracts, which did not provide value for money and got in the way of innovation, and bringing them partly or wholly back in-house (inc HMRC, DWP and Ministry of Justice)

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Recent moves to multi-source (inhouse and range of providers)

Authority	From
Gloucestershire	Sopra Steria
Gloucester City	Capita
West Sussex County	Capita
Croydon Borough	Capita
Barking and Dagenham	Agilisys
Sheffield City	Capita
Enfield Borough	Serco
Reading	Northgate
Nuclear Decommissioning Authority	Atos

Market Engagement

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Overall

Good response rate & confidence in the interested suppliers

Two external 'towers' to be procured

No interest from usual 'prime providers'

Interest likely to increase once procurement commences

Not unexpected - they don't fit our new model

Feedback from suppliers has been used to finalize the preferred model design

Service design & approach a sound solution

Slam operations outsourced & strategy in-house

Sufficient time allowed for procurement

Transition times adequate

Some staff on-site or as field engineers

Service desk & ops staff could be remotely based

Service credits not favoured but are in the framework

Suppliers favoured volume based pricing

Comfortable with in-house VIP support

No concerns about 'blue light' requirements

Acceptable duration 5 years (+1+1)

Strong relationships & collaboration essential

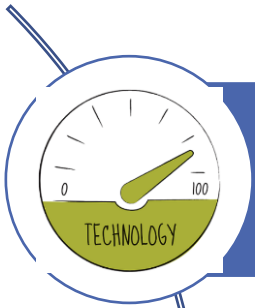
Need for integrated services and tool sets

Clarity of required service, governance

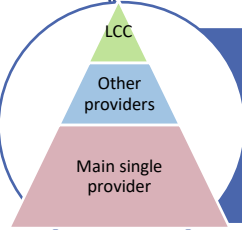
Combine 'security' and the 'cloud'

Gartner: Trends in IMT Design and Sourcing Strategies

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Change is accelerating, the technology landscape is vast, cybersecurity, privacy and talent acquisition are increasing challenges

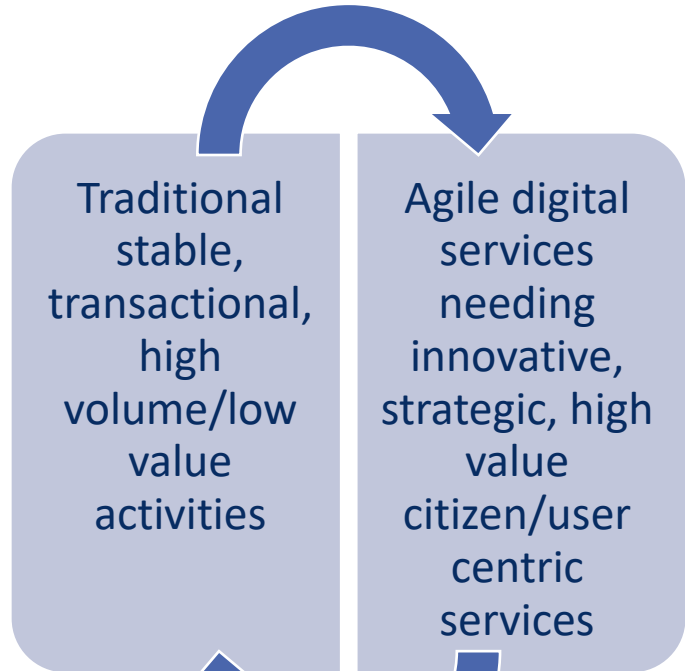


Gone are the multi-year single sourced prime provider arrangements



Need for agility and greater in-house capability. Local gov moving to highly flexible and adaptable vendor relationships

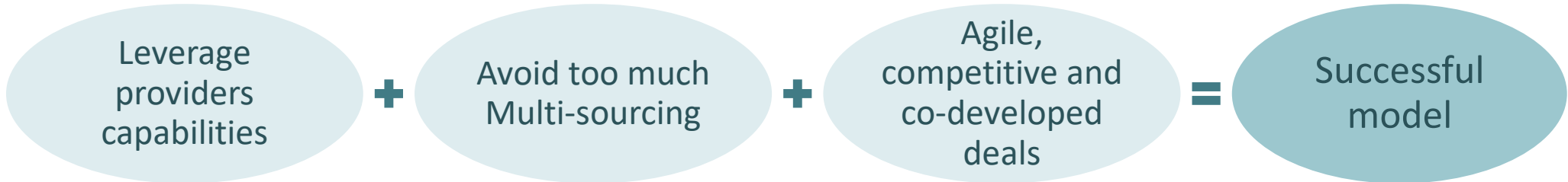
IMT Modes of Operation



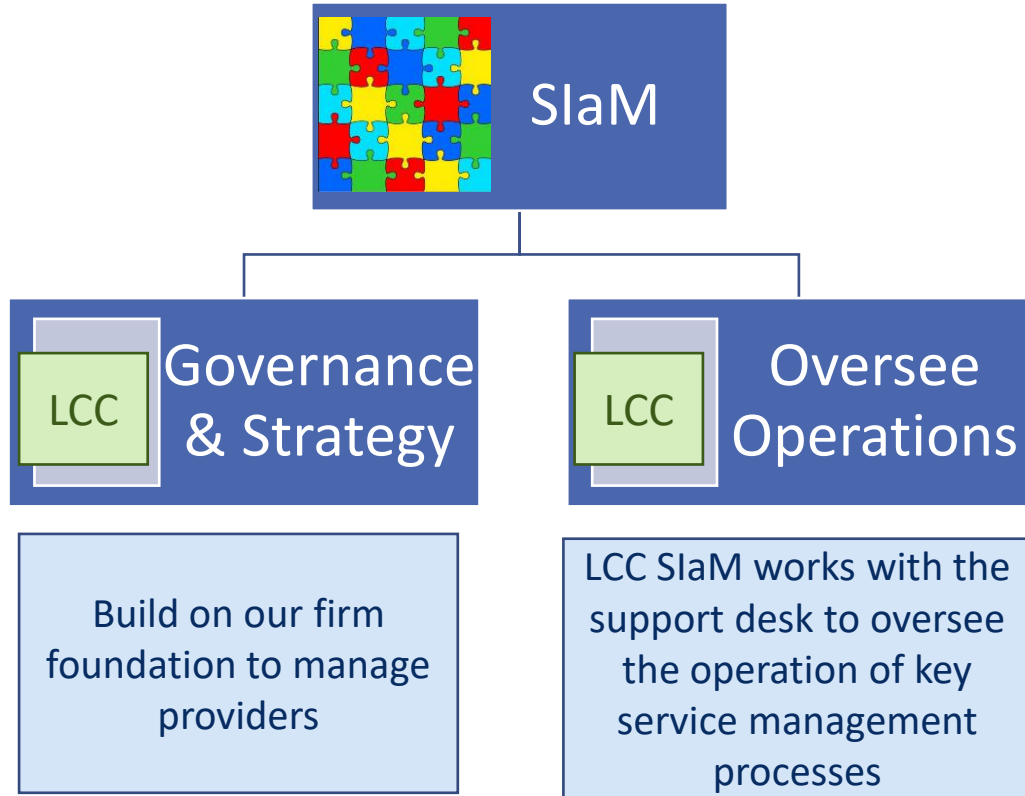
Gartner

A global, independent, research company providing insight and expert guidance

Validated our proposed service design.



Service Integration and Management (SlaM)



The In-house SlaM needs...

Suitably skilled and experienced resources

Strong Cross Supplier governance

Clear boundaries of responsibility between suppliers

Aligned service level targets

Collaboration agreements

In-house SlaM enables...

- Commercial levers to get the best out of each supplier
- Alignment with the business
- Commissioning from multi providers
- Objectivity in managing all suppliers

Mitigating our Service Integration and Management (SlaM) Risks

The model



Market engagement confirmed that suppliers are familiar with being a provider within a SlaM managed ecosystem.

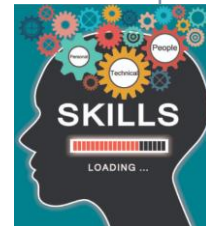
Recruitment & retention



Direct recruitment supplemented where necessary with consultancy services.



TUPE will transfer Serco staff.



Upskilling of existing staff and complementing with contractors and consultancy services.

Consolidating the 'Enhanced Security Operations' and 'Managed Cloud Service' towers reduces the number of primary suppliers and so reduces the complexity of managing the end to end delivery of services.

Cost for Future Model

Current cost of Serco IMT services

Current budget for Serco IMT plus some adjustments to take into account known services changes: **Provides a total of £6.5m (2021/22)**

We do not expect a step change in the overall IMT budget

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Distribution of Current Serco IMT Costs in New Model



In-sourced Services

Total

Sub Total for in house services

£2,933,454



OUTSOURCING

Outsourced Services

Total

Sub Total for outsourced services

£3,607,854

Projected future cost (for services currently covered by Serco)

£6,541,308

Risks and Mitigation



Area	Risk	Mitigation
Resources	Loss of non-Cloud technical resources before the Council has removed its dependencies on such services	Establish a clear development pathway
	Difficulty in attracting / recruiting / retaining SlaM resources	Use 'Contractor and Consultancy Services' to provide temporary resources Utilise services of successful bidders to support SlaM function
	Key existing Serco staff move to non-LCC account roles before contract end date	Limited mitigation options - Contract management focus to be on protecting service quality. Engage early and effectively, Identify key roles , Source temporary alternatives
Transition	Risk of impacting BAU services during transition to new supplier arrangements (There may be greater risk for multi-supplier models as it fragments the service, which may make TUPE less likely to apply)	Suppliers have knowledge and expertise to manage the transition and our SlaM resource will manage transition with them prior to 2024 Consider phasing of services to reduce impact Build transition team early (18 months in advance) to prepare and plan Dedicated implementation programme director
Exit	Lack of engagement from Serco during Exit	Work with Serco on jointly owned exit plan and ensure Serco are held to exit commitments in the contract Engage Serco support through formalised and funded projects
Procurement	Insufficient time and resources allocated to re-procurement of existing 3rd party contracts	Support from the procurement officers Identify novation options from incumbent to the Council Re-procure contracts in Council's name in the lead up to Serco exit Re-evaluate required number of contracts

Future Delivery: IMT Services 2024

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1. Consider the Executive report on future IMT service delivery to determine whether the Board supports the recommendations
2. Agree any additional comments to be passed on to the Executive in relation to this item

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