

Transformation Programme



Corporate Support Services Review Project

OSMB – 17th December 2020

- Scope, assessment of prime BPO providers & timeline
- Future IMT service delivery

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Corporate Support Services Review

OSMB

Scope and Prime Provider

Sophie Reeve – AD Commercial

Background

Through our Corporate Support Services Contract, Serco currently provide IT service delivery, People Management (Payroll and HR Admin), Finance (Adult Social Care Finance) and the Customer Service Centre (CSC). This contract has been in place since April 2014 and is due to expire at the end of March 2024, having reached the maximum duration possible.

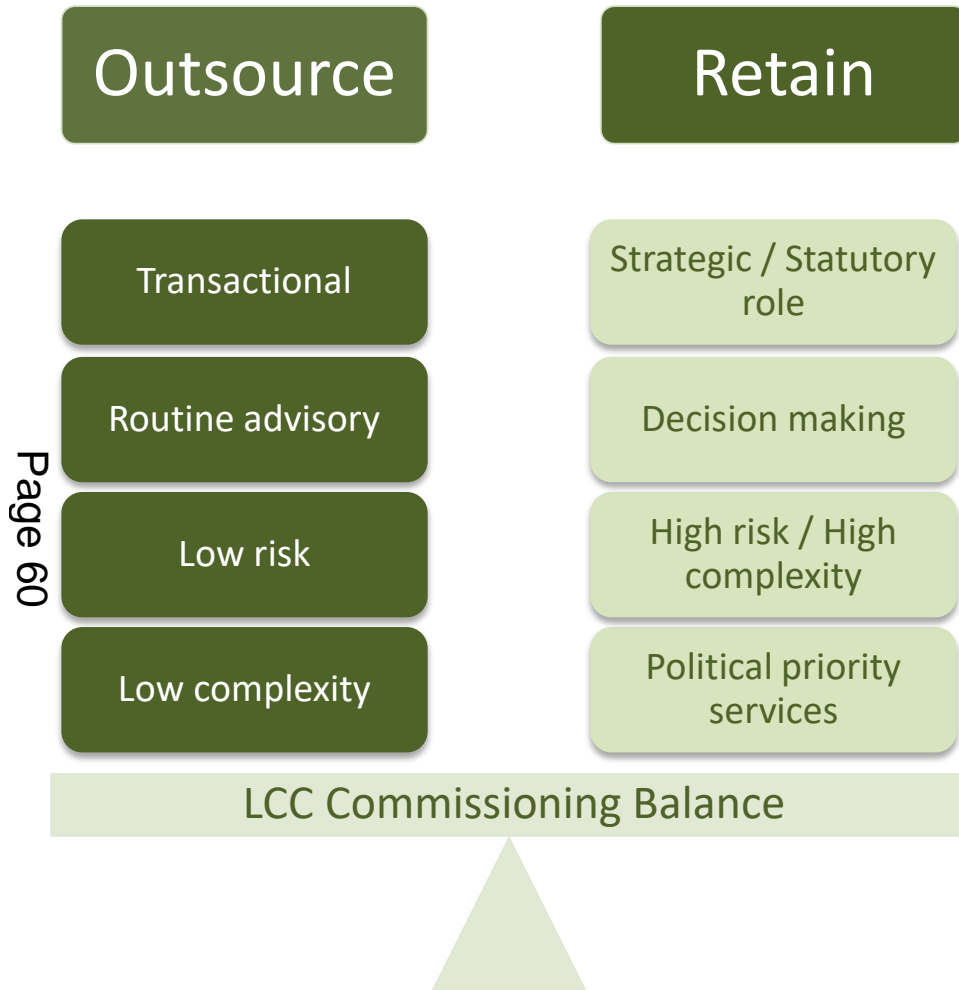
This provides the Council with an opportunity to consider how best to provide these corporate support services moving forward. Given the length of time the contract has been in place, there have been changes in how the Council operates the services it needs, and the delivery options and approaches available for corporate support services. So for example the existing contract with Serco is a prime provider Business Process Outsourcing (BPO) contract where a single provider is responsible for carrying out a mix of processes and in our case professional services.

The Corporate Support Services Review Project (CSSR) has been established to facilitate informed decision making with regards to future service delivery.

At this stage we are seeking OSMB feedback on:

- The scope of services we should consider within the CSSR Project
- The validity of a prime BPO type provider model for corporate support services
- Implications for future delivery of our IMT services

Scope – Commissioning Principles



Key fundamental **prerequisite** to any outsourcing:
There is a market to outsource to

Strategic role includes:

- Direction
- Planning, policy making & advice
- Council governance
- Management of key infrastructure
- Commissioning
- Working with other major partners
- Procurement & contract management
- Control of change management

Where there is an appropriate market, outsource services that are primarily transactional, low risk and routine. Retain high risk services which require strategic direction and control.

Scope – Consideration

We MUST consider options for these services to ensure alternative arrangements are in place when the current Serco contract ends.

IMT

Payroll

HR Admin

CSC

Exchequer

AC
Finance

Recommendation

No expansion of scope beyond the current Serco contract

Prime BPO Provider – Reviews and previous recommendations

Recent options appraisals concluded that pursuing a similar single, large scale Business Process Outsource (BPO) type provider would not be in the Councils best interest and there was no ready market for this type of outsourcing.

Evidence
from:

Arvato
Report

Ashford's
Market
Review

Other
Authorities

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2018 - The option for a new BPO procurement was rejected as it would mean:

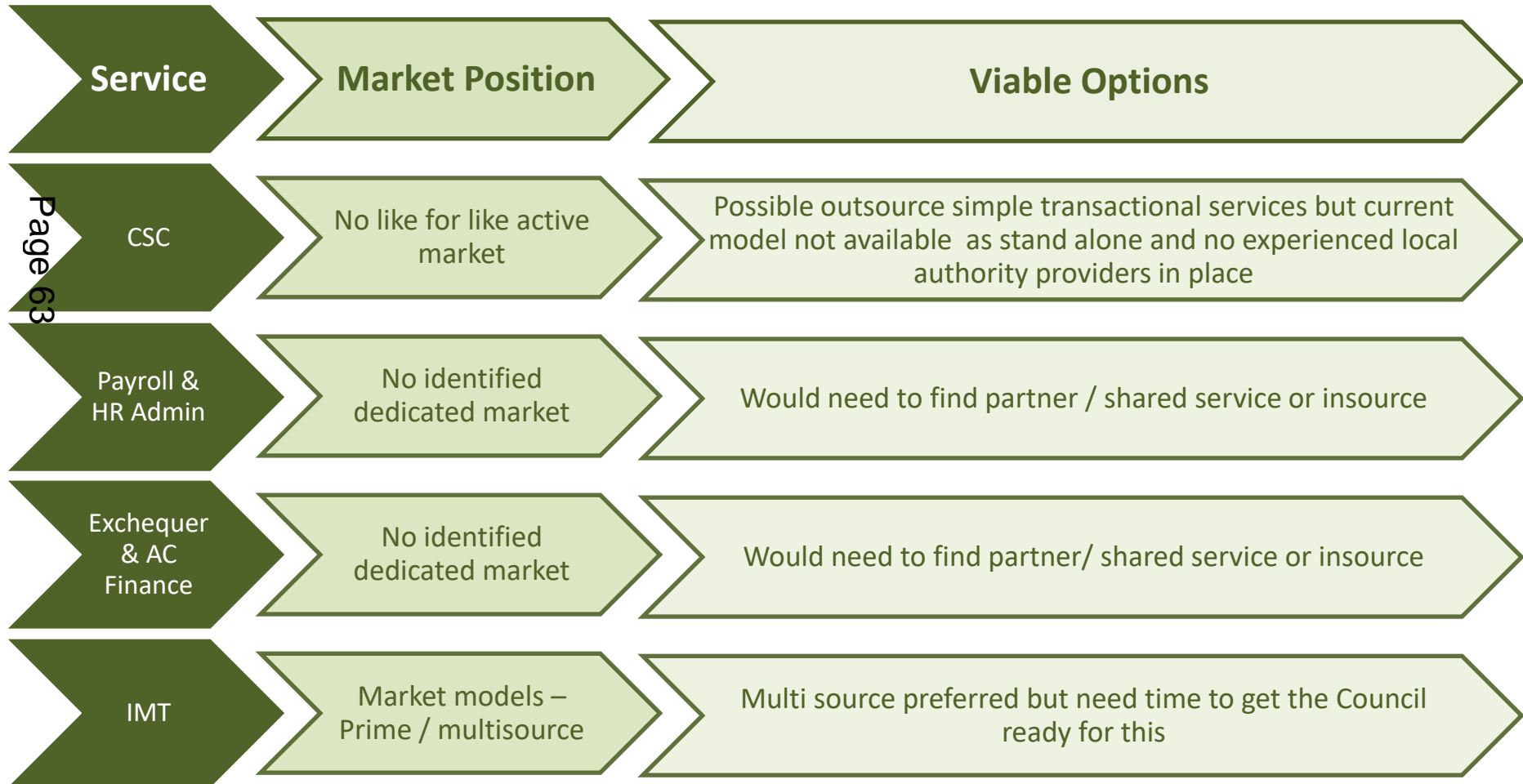
“continued use of a model which is falling out of favour with Councils and providers alike and which has not always delivered across all service streams”

2020 – The BPO option was again rejected as:

“it would not suit the Council's commissioning intentions...there is no ready market...suppliers would want a long [10 year] contract...[and] is not the best way to procure the services in question”

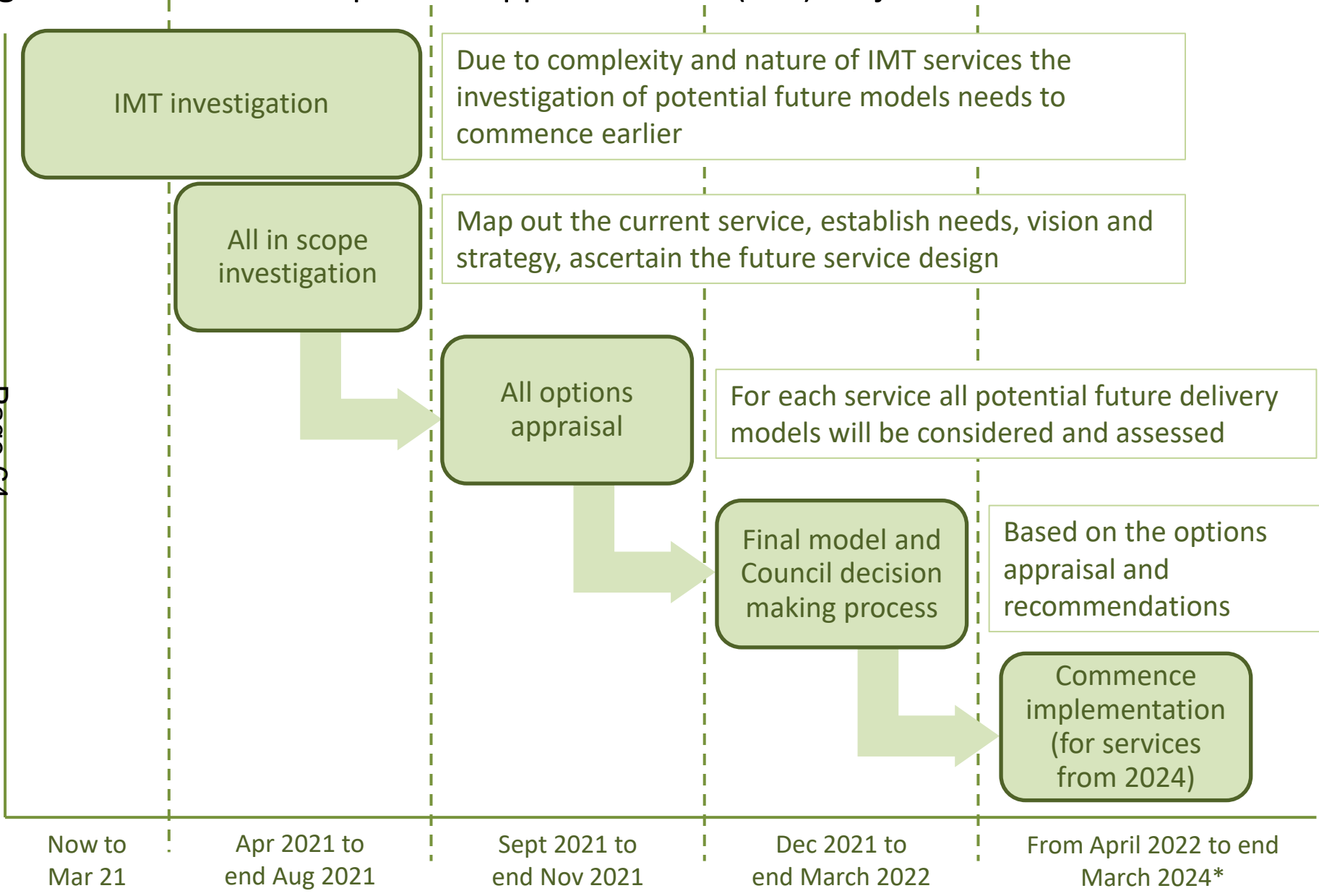
Without a Prime BPO – Likely Viable Options

Having established that there is no ready market for such large-scale mixed outsourcings of authority back-office functions and that such contracts are probably not the best way to procure the services in question, the market review concluded our viable options to be.....



High Level Timeline - Corporate Support Services (CSS) Project

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* The implementation stage commencement for each service is determined by the Council's decisions on the future delivery model and any procurement /insourcing/partnership timeframes required to ensure services are in place for April 2024.



Future IMT Service Delivery

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Principles, Potential Model and Timeframes

John Wickens – AD IMT Enterprise Architecture, IMT

Future IMT Service Delivery: Drivers for change.....

Given the changing nature of IMT services since 2014, there are compelling reasons to consider changing our service delivery model when the current contract expires in 2024. These include:

Operational Drivers

- Our growing need for agility
- Ability to manage ongoing change
- To be responsive and delivery focused

Technical Drivers

- The shift to the cloud
- Our need for services, not technology
- Requirement for specialism & expertise

Commercial Drivers

- The market has changed
- There are limited 'prime providers'
- Prime providers now act as a broker - adds cost but not value

New model for IMT service delivery

Future IMT Service Delivery: Principles for a new model...

In exploring the kind of new model that might be appropriate for IMT service delivery beyond 2024, we believe the following principles are important to the Council:

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Principles The future model must.....

Deliver IT that works and ensure service quality with value for money principles, without increasing the 'gross cost' of IT services*

Enable agility in provision and delivery of business solutions

Facilitate the Council's operations and service delivery, supporting the shift to becoming increasingly digital

Focus on buying services, not technology, from experts in each field

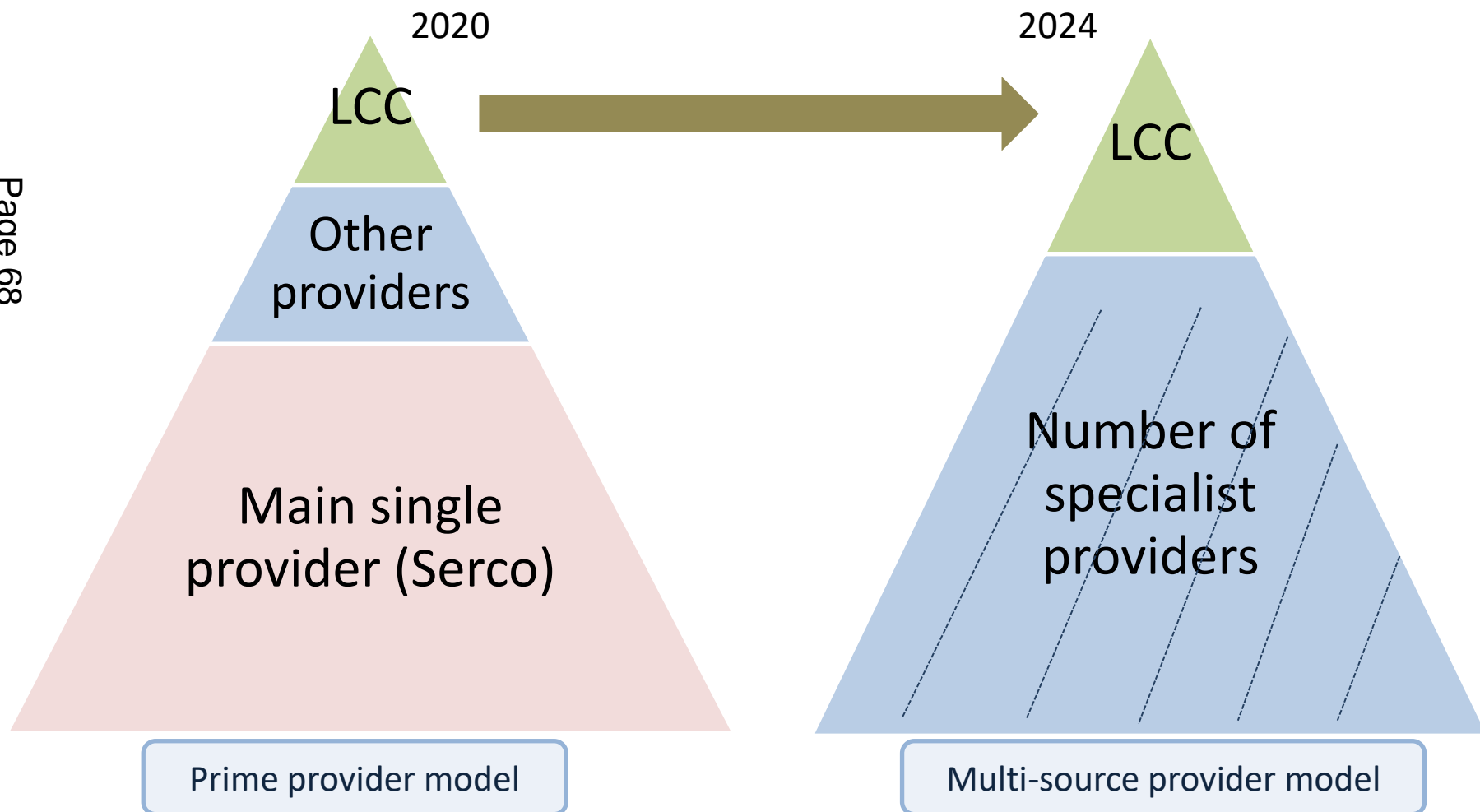
Be open to IT specialists who do not typically offer non ICT services (eg Business Process Outsourcing in HR, Payroll etc)

*This excludes transitional investment for IMT

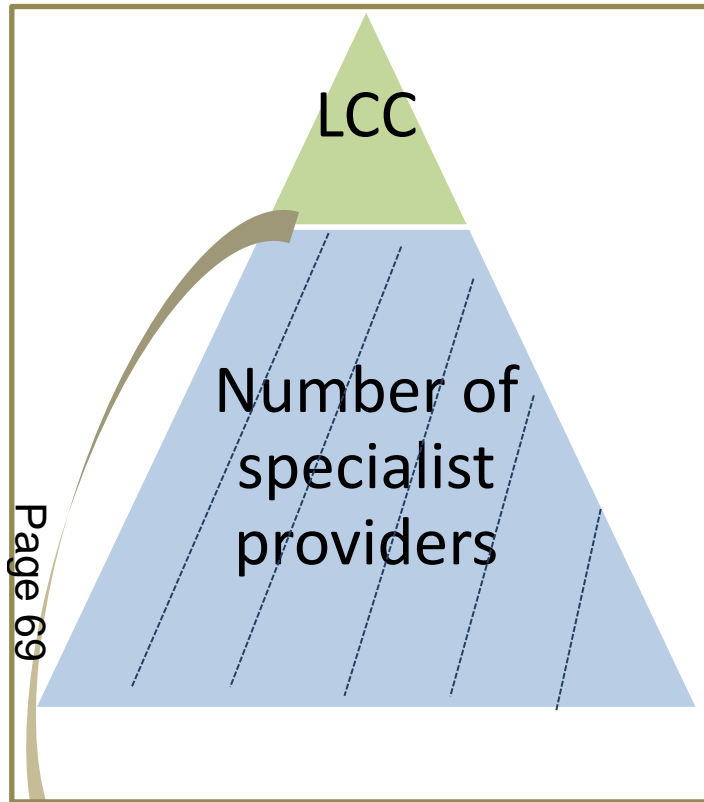
Future IMT Service Delivery: Now and then...

We currently operate through a 'prime provider' model, with Serco providing the bulk of our IMT service delivery. A move to a 'multi-source provider' model, where the Council commissions services from specialist IT providers, would address the drivers for change outlined on slide 10.

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Future IMT Service Delivery: The Practice of Multi Source...



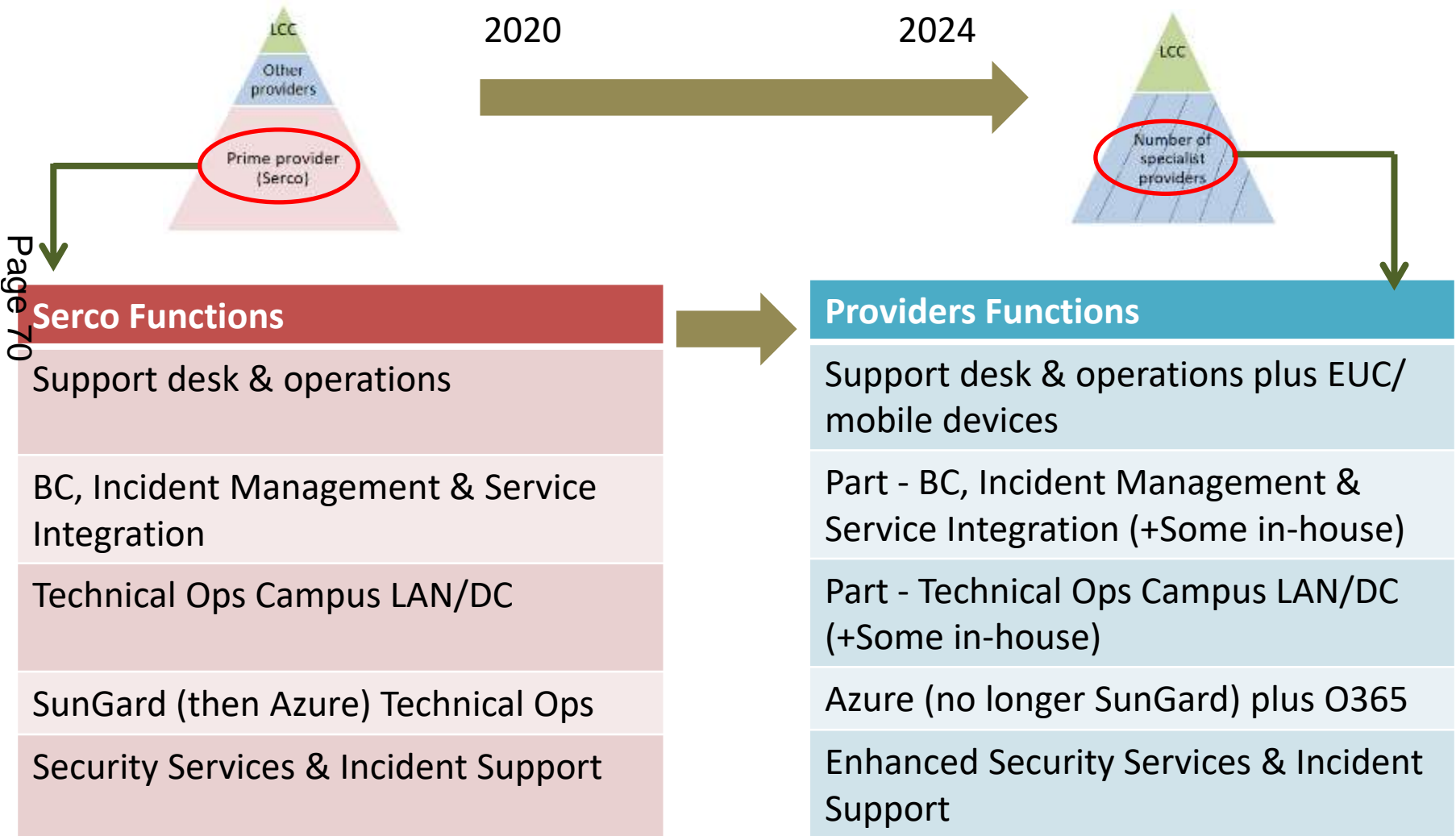
In addition to being an intelligent client LCC must become a 'Service Integrator' to manage the complexity of service delivery and relationships between multiple providers.

External providers are commissioned and managed by the LCC team. LCC ensures the right provider is procured for each IT service, within the cost, quality and risk criteria set by the Council.

Where the Council draws the line between in-house and commissioned services is critical to exploit the benefits of a multi-source provider model. Service delivery is contracted out, but the Council sets the direction, retains ownership of strategy, remains responsible for quality and ensures both agility and coherency of the overall service. Crucially, the overall 'gross cost' of IMT will remain unchanged.

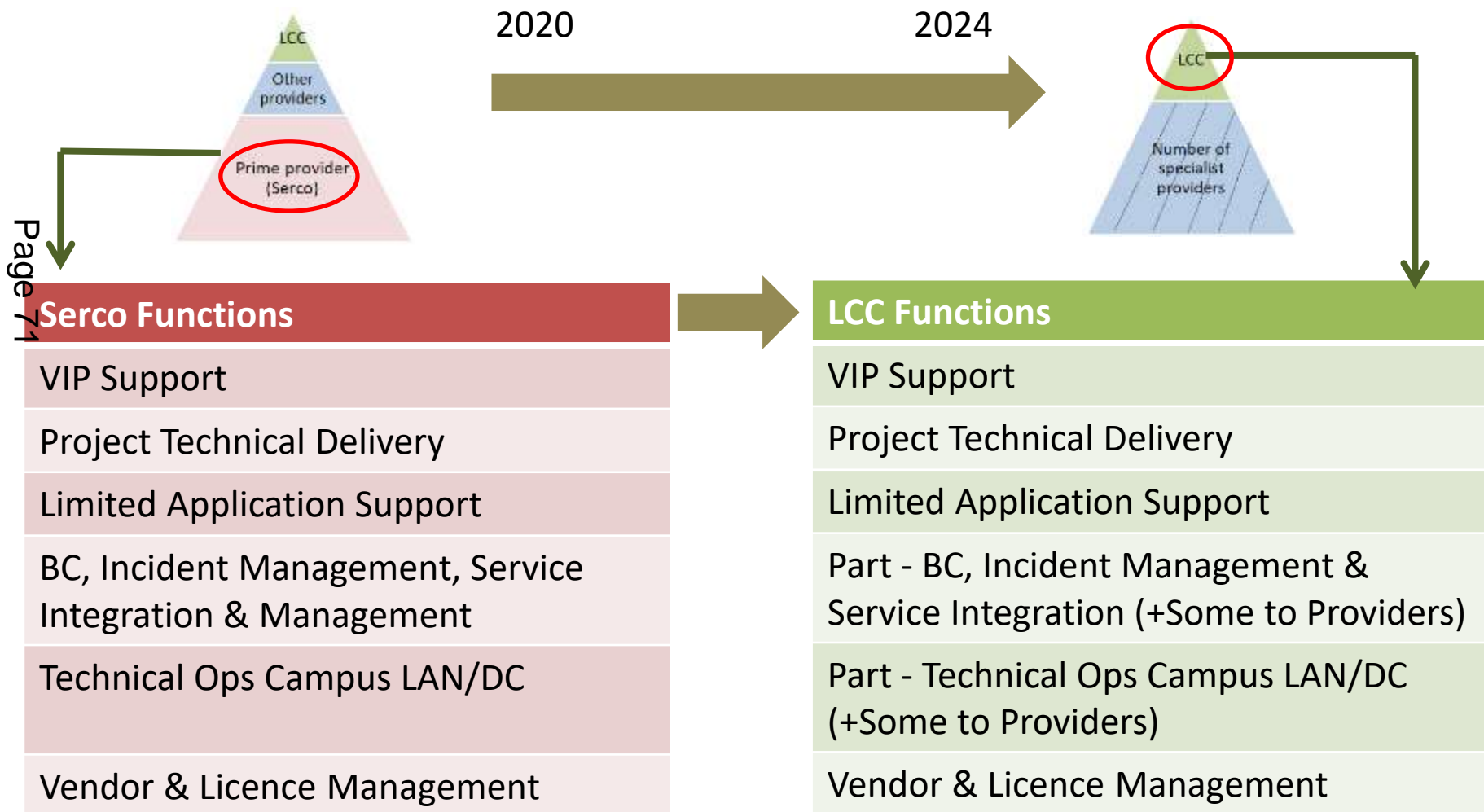
Future IMT Service Delivery: Now and then... for our current prime

Through a multi-source provider model, services currently delivered by Serco would be contracted out to specialist providers who are experts in their field. The tables below illustrate which IMT services would move from Serco to a range of providers.



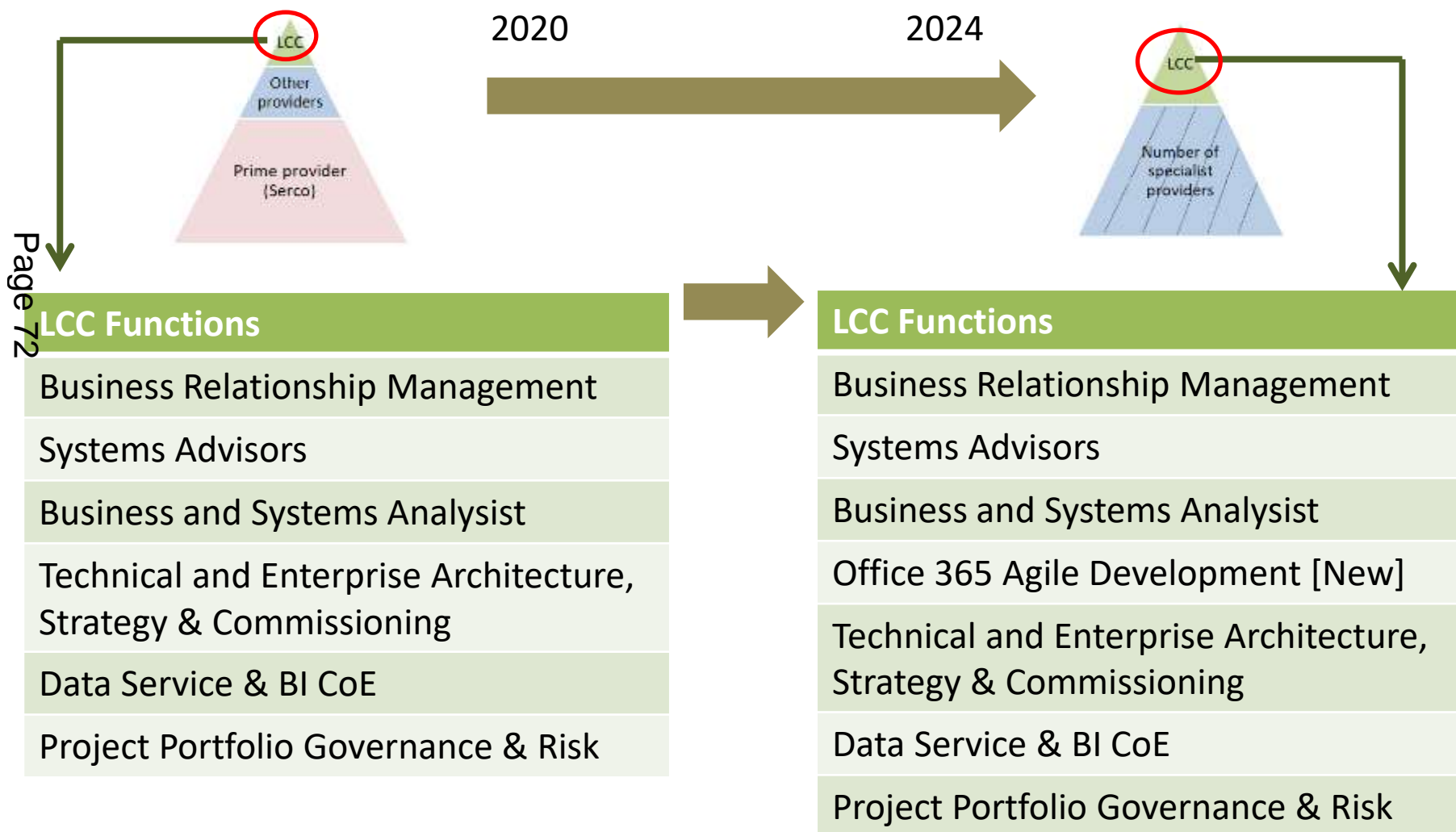
Future IMT Service Delivery: Now and then... for our in-house delivery

Using multiple expert providers to deliver different parts of our IMT services requires a Service Integration function within the Council to ensure effective delivery of the end to end service experience. The tables below illustrate functions currently in the Serco contract which would be best suited to internal delivery.



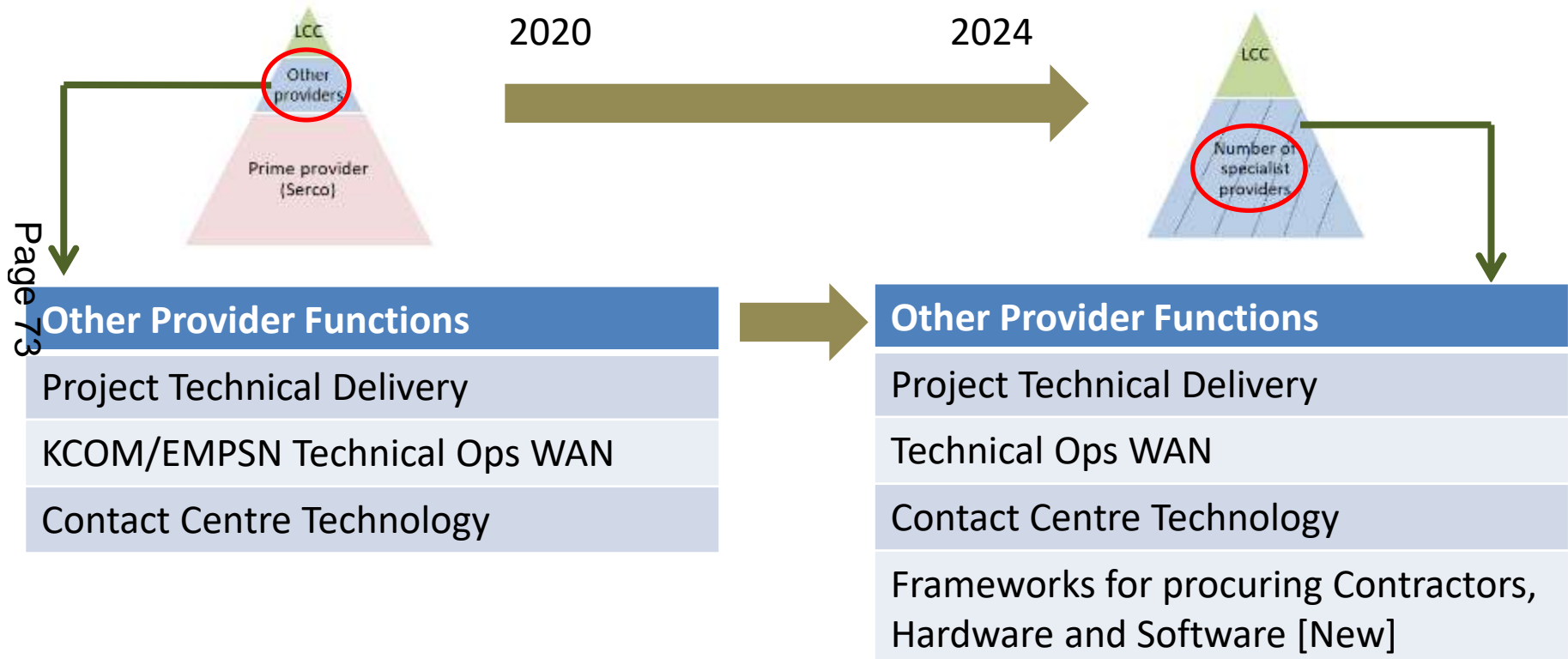
Future IMT Service Delivery: Now and then... for our in-house delivery

Further development of our Intelligent Client function e.g. establishing an 'Office 365 Agile Development' capability, and the need for a Service Integration layer, requires us to retain, and in some cases enhance, existing capabilities currently delivered by our in-house team.



Future IMT Service Delivery: Now and then... for smaller contracts

We currently have a small number of contracts which are beyond the scope of the Serco contract. Under the multi-source provider model, these would be commissioned separately in line with the expiration of the current arrangements, in order to maintain this specialist provision.



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