Transformation Programme

Corporate Support Services Review - IMT

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

Andrew Crookham & John Wickens

28th April 2022

Lincolnshire
COUNTY COUNCIL
Working for a better future

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.

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:
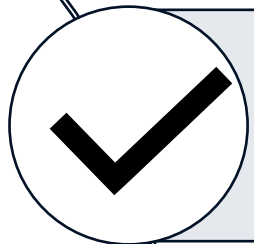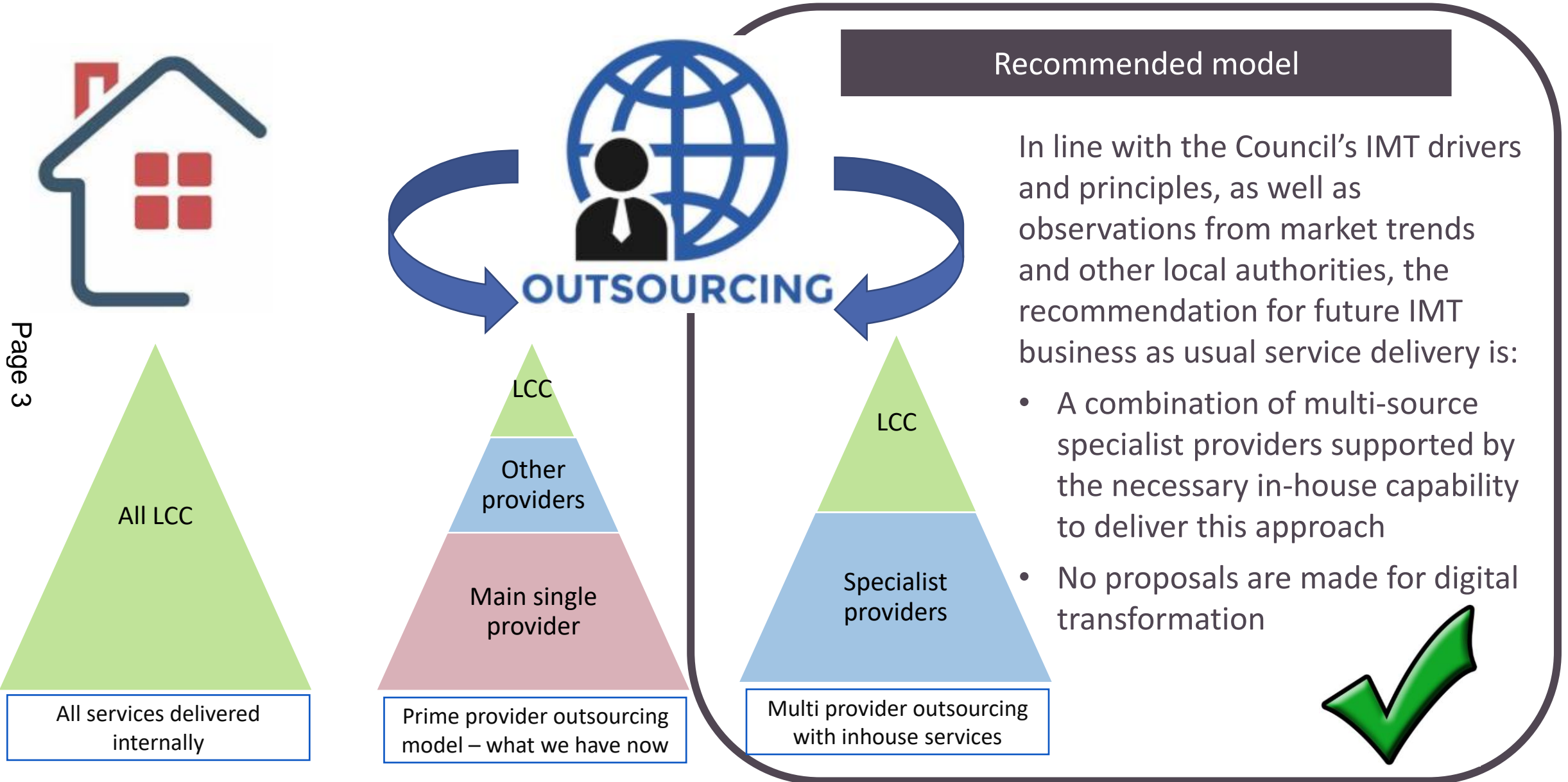
✓ The outsourcing of the following IMT services to external suppliers: i. Support Desk and Operations (including end user device management and device security services) ii. Managed Cloud Services and Enhanced Security Services
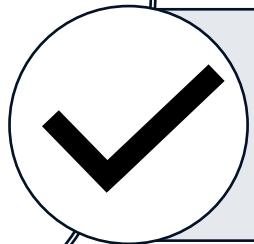
✓ The insourcing of the following IMT services: i. Service Integration and Management (SIaM) ii. Application Support iii. VIP Support iv. Technical Operations (datacentres) v. Vendor and Licence Management

Future Delivery Options & Recommendation

OUTSOURCING

All LCC

All services delivered internally

LCC
Other providers
Main single provider

Prime provider outsourcing model – what we have now

LCC
Specialist providers

Multi provider outsourcing with inhouse services

Recommended model

In line with the Council's IMT drivers and principles, as well as observations from market trends and other local authorities, the recommendation for future IMT business as usual service delivery is:

- A combination of multi-source specialist providers supported by the necessary in-house capability to deliver this approach

- No proposals are made for digital transformation

Drivers for Change

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

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

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

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

Given the changing nature of IMT services, these drivers explain the compelling reasons to change our service delivery model in 2024
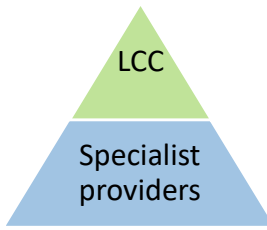
Work already done reduces the risk of this change – eg growing shift to 'software as a service', implementing Microsoft 365 and Azure along with our unified support agreement with Microsoft.

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
• IT service desk • End User Computing • Local Area Network (LAN) • WiFi • Managed Cloud Services • Enhanced Security Operations	• SIaM • 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
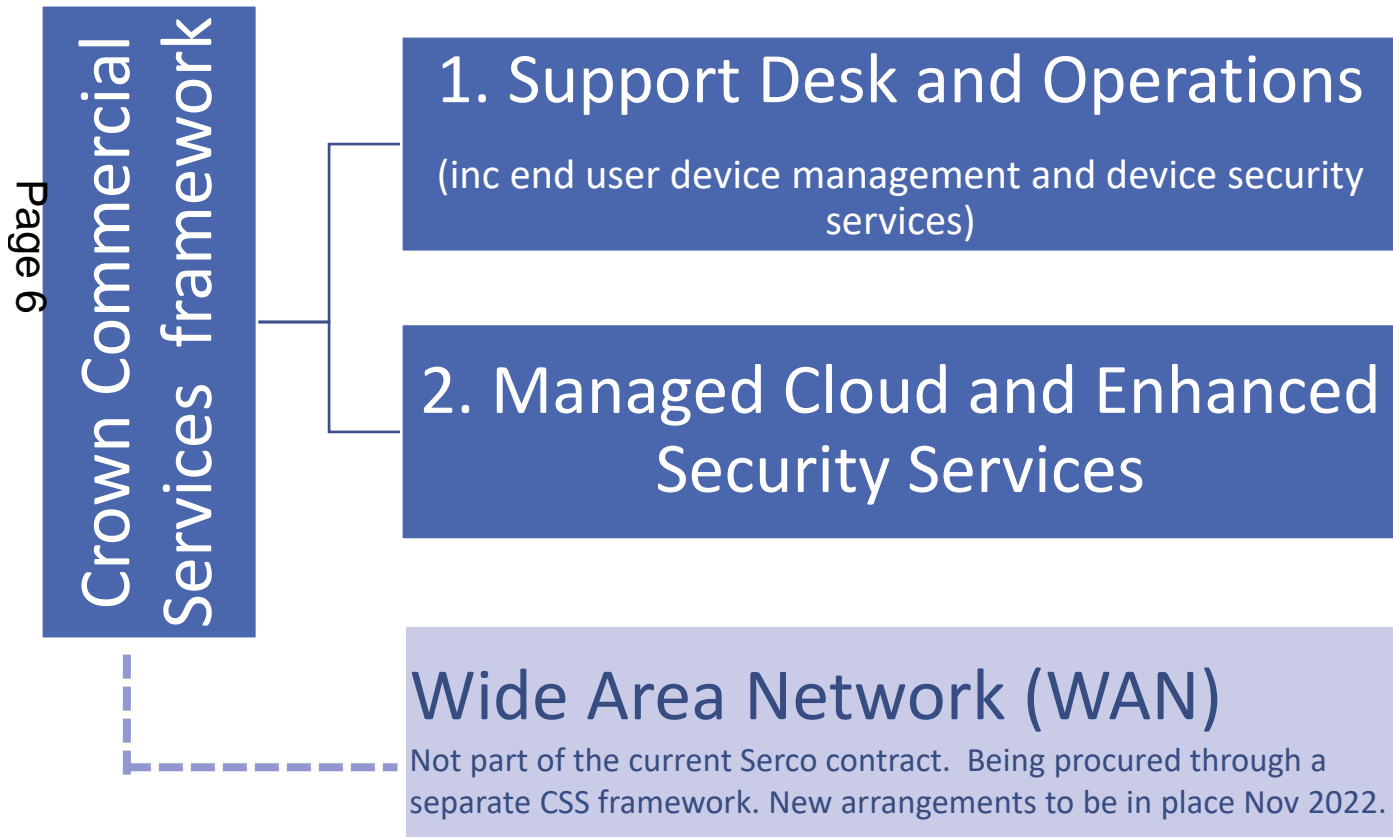
The model also aligns with the Institute of Government recommendation (2020) to outsource when there is a need to:
- Leverage greater scale and efficiencies from a market operating at scale
- Draw on innovative new approaches and expertise
- Fill an internal gap in resources and subject matter expertise
- Deliver a service which the Council cannot or is not ready to do and there is a market available

LCC

Specialist providers

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.

Crown Commercial Services framework

1. Support Desk and Operations

(inc end user device management and device security services)

2. Managed Cloud and Enhanced Security Services

Wide Area Network (WAN)

Not part of the current Serco contract. Being procured through a separate CSS framework. New arrangements to be in place Nov 2022.

The Council has experience of using this approach and the proposed model includes two 'towers' of services to be procured using the CSS framework.
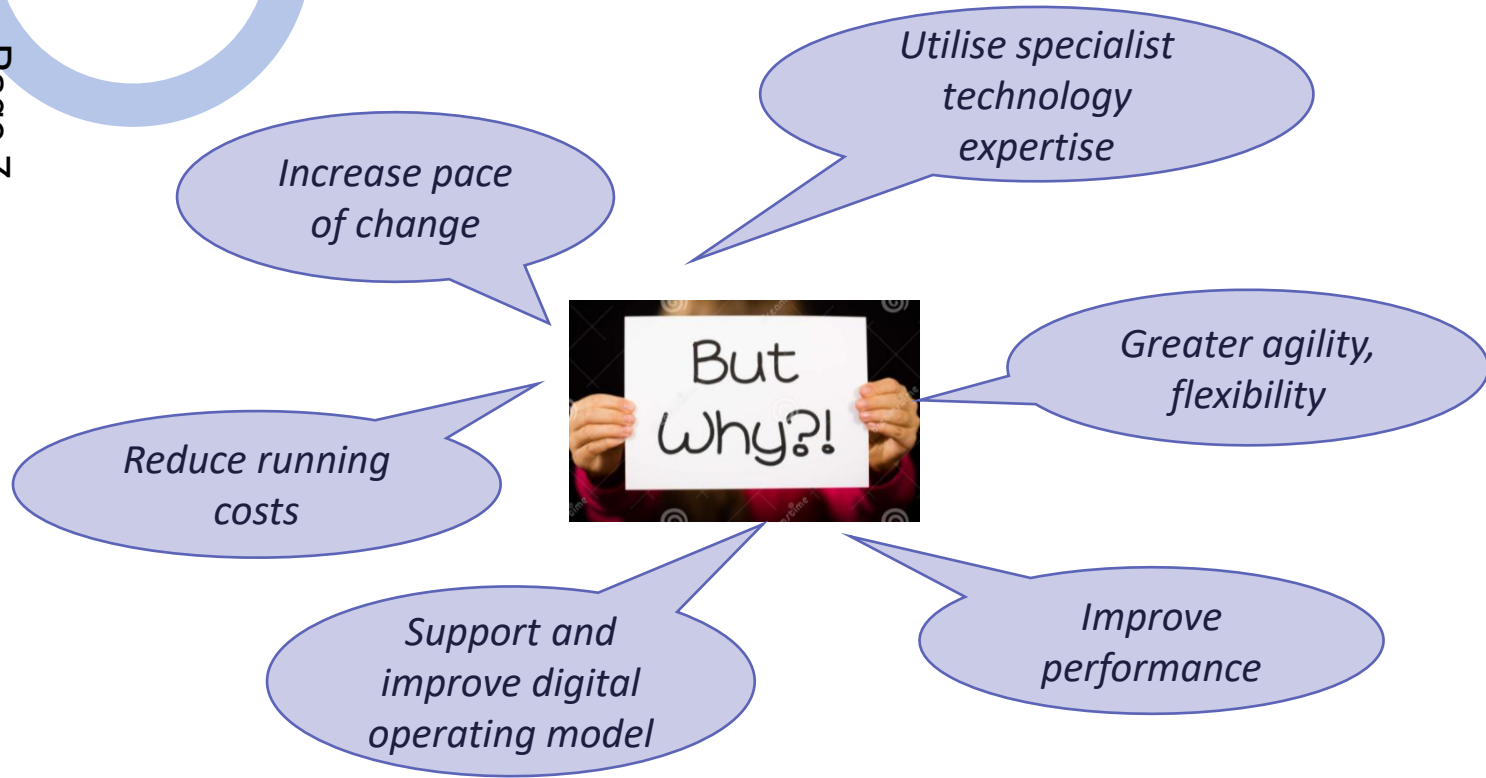
The G-Cloud framework may also be a suitable route to procure services particularly for the security and cloud management services and some of the third-party support contracts that will be required.

Government Public Bodies & Other Authorities

Institute of Government

Insourcing Trends

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)

Increase pace of change

Utilise specialist technology expertise

Reduce running costs

But Why?!

Greater agility, flexibility

Support and improve digital operating model

Improve performance

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

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 → SIaM 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 ↓
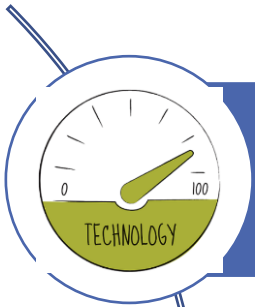
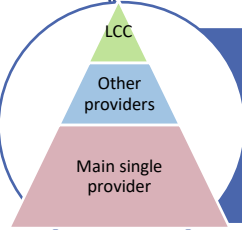Need for integrated services and tool sets ← Clarity of required service, governance ← Combine 'security' and the 'cloud'

Gartner: Trends in IMT Design and Sourcing Strategies

Change is accelerating, the technology landscape is vast, cybersecurity, privacy and talent acquisition are increasing challenges
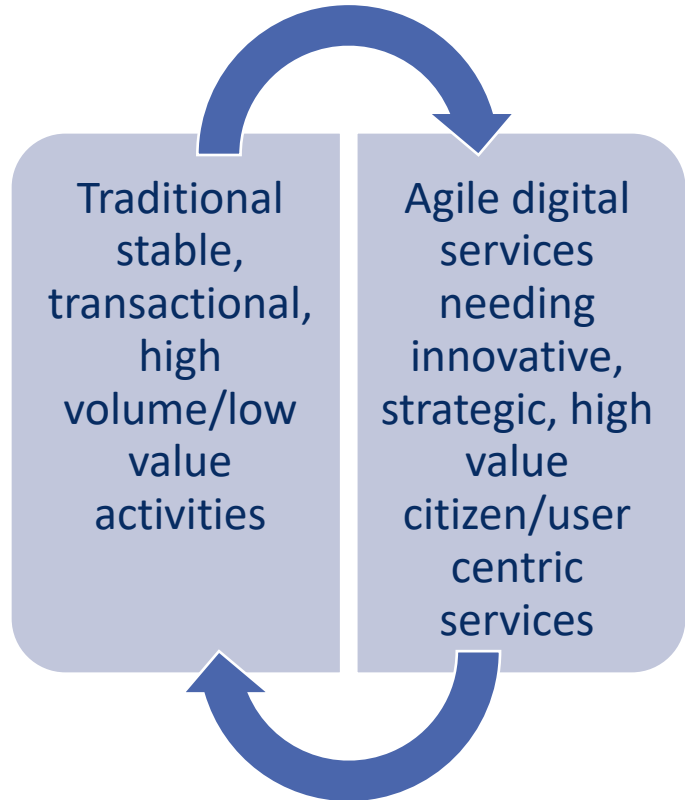
Gone are the multi-year single sourced prime provider arrangements

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

IMT Modes of Operation

Traditional stable, transactional, high volume/low value activities

Agile digital services needing innovative, strategic, high value citizen/user centric services
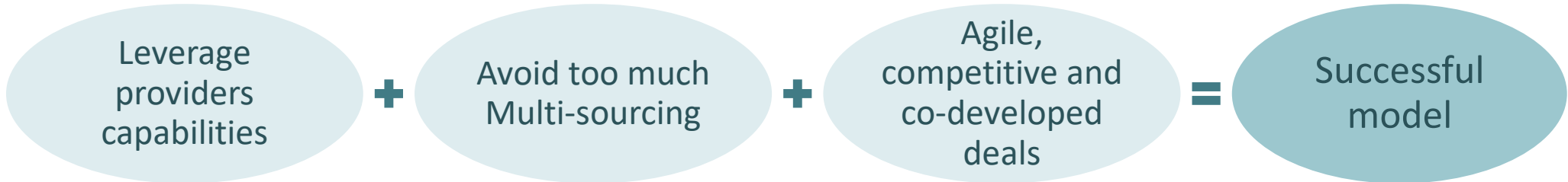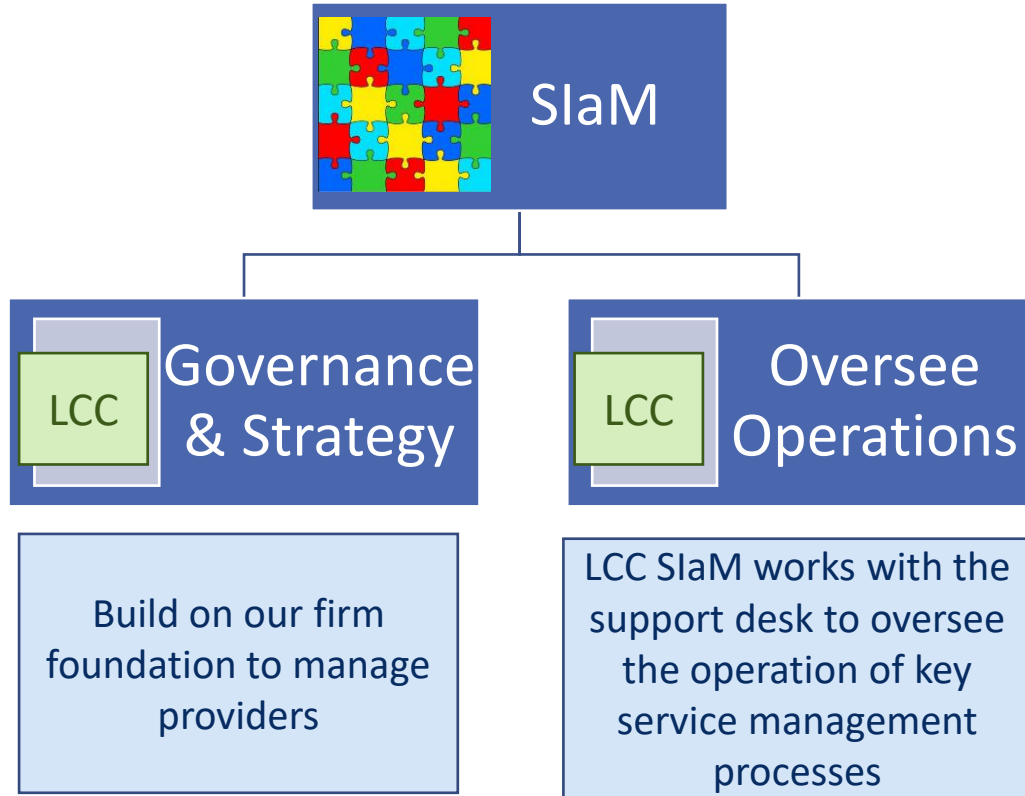
A global, independent, research company providing insight and expert guidance

Validated our proposed service design.

Leverage providers capabilities

+

Avoid too much Multi-sourcing

+

Agile, competitive and co-developed deals

=

Successful model

Service Integration and Management (SIaM)

SIaM

Governance & Strategy — LCC

Oversee Operations — LCC

Build on our firm foundation to manage providers

LCC SIaM works with the support desk to oversee the operation of key service management processes

In-house SIaM enables…

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

The In-house SIaM needs…

Suitably skilled and experienced resources

Strong Cross Supplier governance

Clear boundaries of responsibility between suppliers

Aligned service level targets

Collaboration agreements

Mitigating our Service Integration and Management (SIaM) Risks

The model

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

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.
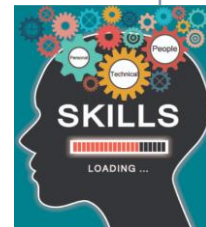
Recruitment & retention

Direct recruitment supplemented where necessary with consultancy services.

TUPE will transfer Serco staff.

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

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

Distribution of Current Serco IMT Costs in New Model

In-sourced Services	Total
Sub Total for in house services	£2,933,454

Outsourced Services	Total
Sub Total for outsourced services	£3,607,854

Projected future cost (for services currently covered by Serco)	£6,541,308

OUTSOURCING

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 SIaM resources	Use 'Contractor and Consultancy Services' to provide temporary resources Utilise services of successful bidders to support SIaM 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 SIaM 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

Indicative Outline Plan: Future Business as Usual IMT Services

CSSI Programme High Level Plan	Months	2022 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Procurement through framework call off																																					
Document End to End SIAM Processes				■	■	■	■																														
Production of Specifications								■	■	■	■	■	■																								
Production of call-off documents								■	■	■	■	■	■																								
Finalising framework terms and conditions								■	■	■	■	■	■																								
Publish procurement documents													■																								
Receive bids														■	■																						
Set up evaluation panel														■	■																						
Evaluation																■	■																				
Award contract																		■																			
Standstill - 10 days - voluntary																		■																			
Complete contract formation																		■	■																		
Transition to new supplier 6-9 months																				■	■	■	■	■	■	■	■	■									

Future Delivery: IMT Services 2024

We would like OSMB to:

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

This page is intentionally left blank