Report to	**Policy & Programme Committee**
Date	**30 January 2014**
By	**Director of Corporate Services**
Title of Report	**ICT Service Review – Options Appraisal**
Purpose of Report	**To advise the Committee on the results of the Options Appraisal undertaken on the delivery of the ICT Service to the National Park Authority**

Recommendation: The Committee is recommended to agree to further work being undertaken over the next three months:

1. **Establish the business requirements for the organisation as a whole in relation to ICT services; and**

2. **To examine the necessary internal arrangements, structures and capabilities for meeting those requirements.**

1.   **Introduction**

1.1   The ICT service delivery contract is due for renewal in June 2015 and an options appraisal to consider the model to be adopted forms the first stage of developing the sourcing strategy for the new contract.

1.2   The options appraisal examines the current arrangements for the delivery of ICT services across SDNPA. This includes the main service contract but also specific arrangements and contracts in place for the management of planning applications, GIS, Grant Management, Performance Management, etc. Excluded from the study are those areas where ICT is included in a contract as part of a wider service, e.g. financial services.

1.3   The appraisal considers options that involve retaining the existing outsourcing model, bringing ICT delivery "in-house" and a range of hybrid models involving varying degrees of in-house delivery supported by specialist services. Benchmarking of performance levels and costs has been undertaken with the Lake District National Park Authority.

1.4   The recommended option will be the one that is seen to provide not only value for money but also a stable and sustainable platform that meets the information management, communication and data processing needs of SDNPA over the next three to five years.

2   **Background**

2.1   The existing contract for ICT services was awarded in June 2012 to Advanced 365, following a tender exercise carried out under the Public Procurement Rules. The contract runs for three years and is due to terminate at the end of June 2015, although there is the potential to extend the contract by up to a maximum of two years.

2.2   Some arrangements for information management and data processing did exist prior to the award of the ICT services and were largely unaffected by this. Other services have since been established and operate independently from the ICT services contract, with data hosting being arranged by the application providers. Examples of such services include CAMs, the Grants & Evidence database and, most recently, the Consultation software from Inovem to support the Local Plan consultation management.

2.3   The options open to SDNPA in terms of the arrangements for ICT service provision have

been constrained to a large extent by the nature of the estate. With no permanent premises under ownership the purchase and installation of any significant value of SDNPA hardware has never been an option, and to that extent the outsourced solution running in a Citrix environment, has been ideal for the organisation's circumstances. This situation changes with the completion of the South Downs Centre and those constraints are removed with the ownership of a permanent headquarters building.

3   Considerations

3.1   There is essentially one of three routes SDNPA can take with regards to the future provisioning of ICT Service Delivery; namely insourcing, outsourcing or a hybrid of the two. The following considerations highlight some of the potential challenges each path may present and it is for these reasons that a greater understanding of the required service levels is needed in order to mitigate the associated risks with each option.

3.2   In consideration of whether to insource all or part of the ICT delivery service, the overall staff numbers within SDNPA will have a significant bearing on what is deemed to be a 'sensible' number of IT personnel. If there are too few staff working in the IT team, there is a risk IT Support will 'break' as a result of there being insufficient or no staff to attend to an unplanned incident. It may be feasible to contract with a 3rd party to step in if such a situation arises, but again, there is a risk that the latency in either the time required to attend site and/or become familiar with our environment may be deemed to be unacceptably long.

3.3   Outside of the specific arrangement for more specialist applications, SDNPA has taken a one-stop approach to ICT Service Delivery. Moving forward, if the final decision is to remain outsourced it is recommended to consider breaking down the provision of services required across more than one supplier in line with their specialisms. Such specialisms include, but are not limited to, service desk, hosting, security, patching, WAN management and DR & backups.

3.4   Whilst not expensive, some of the existing outsourced administrative services seem to offer little value. Therefore consideration should be given as to whether it would be more prudent to insource these services. Examples of the types of services to be considered include the Canon printing contract and maintenance of the asset management schedule.

3.5   As the organisation matures, consideration should be given as to the importance of working with suppliers who meet a specific set of pre-determined criteria. Such criteria might include the award of accreditation. Such accreditations could be at a company level eg ISO27001 (Information Security) and ISO9002 (quality standards) or at an employee level eg MCSE (Microsoft Certified Service Engineer) or CCNA (Cisco Certified Network Associate).

3.6   The opening of SDC creates the opportunity to host a number of services internally. In consideration of the degree of failover to be included within the infrastructure design as the level of investment increases it should be borne in mind that a tipping point might be passed beyond which the costs shift in favour of an outsourced solution.

4   Benchmarking

4.1   Whichever decision is reached on the way forward it is of value to benchmark both service levels and costs against similarly structured organisations with comparable service needs.

4.2   Some initial work has been undertaken to benchmark the service levels and the cost of these services with similar services provisioned by the ICT Team at the Lake District National Park Authority.

4.3   We have significantly reduced the cost base in transitioning the service from Hampshire County Council to Advanced 365 however we believe there is scope to reduce this further (without compromising the existing service levels), albeit not possible at this time to identify the areas where the largest savings will come from.

4.4   A contract review meeting is being organised with Advanced 365 for mid-February and the previously requested detailed breakdown of costs by service type is a pre-requisite for the meeting.

5   Conclusions

5.1   Without having a clear understanding of the service levels the business would like to receive from ICT, it is premature to recommend the most appropriate model for ICT Service Delivery going forward. The timing of this review affords us the opportunity to review the needs of the organisation (a fundamental input in determining how the delivery is to be effected) without adversely impacting the available time to implement the recommended changes. Therefore SDNPA should create a working group to define the role of ICT within the organisation and agree the service levels the organisation requires to run an efficient operation. Performance and value for money in an outsourced model are dependant on the contract receiving the correct level and form of management. It is therefore important that this is established as part of the negotiation or re-tendering process and that there is assurance on the systems, indices and capability for carrying out this role.

5.2   The ICT Service Delivery contract was established to meet a relatively narrow specification of the ICT service and is therefore not as inclusive as it potentially could be. It is planned therefore to carry out a further analysis of the present and future business requirements for ICT services and that this further study should be included in any specification for re-tendering or negotiation and should inform relationships with other ICT providers currently under contract.

5.3   A more inclusive ICT Service arrangement will require a different relationship between the corporate ICT function and the organisation as a whole. Engagement and communication will need to improve and there will need to be a defined and comprehensive ICT Strategy in place for the organisation.

5.4   Further work should therefore be carried out to establish the business requirements for the organisation in relation to ICT services and the relationship mechanisms that are required to deliver on those requirements on an on-going basis.

5.5   An ICT Strategy should be developed as a result of that work.

5.6   The competencies and capabilities existing within the organisation to deliver the goals and objectives within the strategy should be reviewed

6   Resources

6.1   The structure of the working group should include representation from Planning, Finance, Communications, Strategy Leads, Project & Performance management and a Ranger. It is proposed that Members, as a key customer group, could be represented on this group by the Governance & Support Services Manager who would gather their views and channel their opinion.

6.2   The working group is likely to be assembled for a period of not more than 3 months (subject to availability) and is likely to meet 5 times during that time.

6.3   The preparation of materials for meetings, the facilitation of the working group meetings and the co-ordination of all activities will be carried out by an interim contractor.

7   Risk management

7.1   A risk register will be developed as part of the options appraisal, which will highlight the risks inherent in the recommended approach.

8   Human Rights, Equalities, Health and Safety

8.1   There are no implications arising from this

9   Sustainability

The recommendations from the options appraisal will be formed taking account of sustainability considerations. This will include the environmental impact of any solution, the social and economic impact on the National Park Area of placing this work either internally or externally and the robustness of the solution over the longer term.

10   External Consultees

10.1   None.

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Appendices	None
SDNPA Consultees	Chief Finance Officer, Chief Executive, Director of Planning, Director of Operations, Director of Strategy & Partnerships, Legal Services & Monitoring Officer.