

ONESOURCE JOINT COMMITTEE

28th July 2023

Subject heading:

oneSource IT Update

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Financial summary:

To be reported to Cabinet in October

SUMMARY

This report covers the progress of IT transition up to 21st July 2023. A jointly agreed ICT separation model is now being followed by a detailed road map for the return of IT to each borough. The IT programme includes the internal restructure of IT (as part of IT stabilisation), prior to the return of IT to each borough.

RECOMMENDATIONS

The joint committee are asked to note:

- the progress made on the transition and stabilisation programmes for ICT;
- the appointment of Third Value Impact (TVI) to support the transition programme;
- Procurement Strategy to be presented to members in October for their consideration;

REPORT DETAIL

1. Background

- 1.1 In April 2023, the Cabinets of both councils took the decision to return a number of one source services, including ICT to sovereign control. The section 151 officers of both councils, in consultation with the respective chief executives were authorised to make all necessary arrangements to give effect to that decision.
- 1.2 Since that time officers from both council including officers of one source services have been working together to progress the transition of ICT services to sovereign control. Given the length of time that this will take there has also been a focus on the necessary improvements of ICT service, this is referred to as the Stabilisation Programme.
- 1.3 This report sets out the work being done in the Stabilisation Programme and progress made on the Transition Programme including an analysis of the options appraisal that

determined the work to be done, and a plan that sets out the programme to achieve transition,

2. Stabilisation Programme

- 2.1 As the transition programme will take some time there is a need to ensure that the ageing IT infrastructure is maintained and is accompanied by an improvement in performance. There is a series of projects that have been set out and are being progressed alongside preparation for transition. This will require increased capability within the one source IT team, and an organisational change proposal is being developed for consultation

3. Transition Programme

- 3.1 In order to support the aspirations of both boroughs it is essential that appropriate care and attentions is given to establishing the right approach, careful consideration of a detailed plan and the appropriate technical support.

3.2 Approach

The various options to transition IT services back into each borough have been explored, and the recommended approach has been informed by the following key factors

3.2.1 Technology.

Each council will need to split the technology to achieve sovereignty over their IT services and enable their Digital Strategy. However, the existing shared infrastructure is largely on premise, complex and in significant need of investment and modernisation. Investing in and splitting the current infrastructure will be high risk, time consuming and wasted investment due to the future strategy to move to cloud services. A modernisation programme will therefore be needed to migrate each council onto their own modern cloud platforms to enable the split to occur.

3.2.2 Risk and Speed.

Each council would like the split to occur as soon as possible to enable more freedom to enact their digital strategy, with risk to council services minimised. There is insufficient capability and capacity in the current IT operational teams to deliver this extensive level of modernisation so partner support will be needed to deliver the modernisation and reduce the risk, with procurement undertaken through procurement frameworks to minimise the time taken to select and choose the strategic partner that will undertake this work.

3.2.3 IT Services Management.

The move to modern cloud platforms and services will require new IT skillsets and capabilities to effectively manage and configure these ever-evolving services, with these skillsets often proving challenging to recruit into council IT teams. For this reason, the recommendation is that some of the transactional cloud services will be partner managed, with investment in council teams focussing on those capabilities to enable the digital agenda.

- 3.2.4 **Cost.** All options considered had outline business cases produced for the modernisation costs, as well as the impact on ongoing operational run costs over the next 5 years. The recommendation had the optimal business case.

3.2.5 A number of alternative approaches have been considered and these are set out in the table below

Option Overview		DELIVERY RISK	TECHNICAL RISK	BUSINESS CONTINUITY RISK	WASTED EFFORT / COST	TIME TO VALUE	MODERNISE COST	ONGOING OPERATIONAL COST
1	Split organisational structures into two host boroughs. Both organisations then manage shared infrastructure and separately modernise off this shared infrastructure.	HIGH	HIGH	HIGH	HIGH	LONG	HIGH	HIGH
2	Split organisation and existing infrastructure. Both organisations then separately modernise this infrastructure	HIGH	HIGH	HIGH	HIGH	LONG	HIGH	HIGH
3	One council builds new in the cloud and the other council takes ownership of existing infrastructure, and upgrades/modernises this infrastructure	HIGH	HIGH	MEDIUM	MEDIUM	LONG / MEDIUM	HIGH	HIGH
3a	Use one source to build new and migrate to cloud services, then hand cloud platforms over to council teams to support	HIGH	HIGH	HIGH	LOW	LONG	MEDIUM	MEDIUM
3b	Use Partner/s to build new and migrate to cloud services, then hand cloud platforms over to council teams to support	MEDIUM	MEDIUM	MEDIUM	LOW	LOW	MEDIUM	HIGH
3c	Use Partner/s to lead technical modernisation to cloud services	MEDIUM	MEDIUM	MEDIUM	LOW	LOW	MEDIUM	LOW
4a	Use Partner/s to support technical modernisation to shared cloud services, then support split to individual council cloud services, then hand over to council teams to support	LOW	MEDIUM	MEDIUM	MEDIUM	LOW	MEDIUM	MEDIUM
4b	Use Partner/s to support technical modernisation to shared cloud services	LOW	MEDIUM	MEDIUM	MEDIUM	LOW	MEDIUM	LOW
Final	Undertake initial cloud migration to Azure multi-tenant solution. Use Partner/s to lead technical modernisation to cloud services	LOWEST	LOWEST	LOWEST	LOW	LOWEST	MEDIUM	LOW

3.2.6 The modernisation programme changes all the underlying technology, so all options pose a level of technical and delivery risk. However, the final recommended option has the lowest comparative risk, the lowest time to value, and is expected to have the lowest comparative modernisation and operational cost.

3.3 Planning & Technical Approach

- 3.3.1 The recommended approach is to procure an IT Strategic Partner to transition and modernise each borough's infrastructure to modernised cloud platforms
- 3.3.2 This will be a joint procurement between both Councils with LBN as the authority to appoint the partner, who will transition each council to their own cloud services platforms. (A joint procurement to appoint a single partner is required to reduce the risk and complexity of migrating two councils off shared legacy infrastructure)
- 3.3.3 The entire process to design and document the target IT architecture and services and undertake a competitive procurement for the strategic partner is expected to take circa 12-14 months. The cost, including specialist procurement support, to run this process is estimated to be £450K for each borough.
- 3.3.4 During the 12-14 month procurement process, initial stabilisation projects will be agreed to address current technical risks and constraints and maintain business continuity. (Agreement for these projects will be undertaken separately)
- 3.3.5 The modernisation programme is then expected to take 9-12 months. It is currently estimated that no additional capital budget is required (in addition to that already allocated).
- 3.3.6 During the modernisation programme, the planning for the organisational split will be undertaken, with the one source organisation being split into various services supporting LBH or LBN
- 3.3.7 Third Value Impact (TVI) have been appointed to support both councils through this project and have led on the development of the plan in collaboration with officers from both Councils. TVI have submitted a proposal for the first three stages of the procurement



- 3.3.8 Within these stages will be critical tasks of capturing current baseline and agreeing the target state including architecture configuration, workload & data locations. They will also lead on advising the procurement approach and detailing requirements specifications for consideration by council officers to given greater assurance.
- 3.3.9 TVI have also submitted a proposal for the final two stages of the procurement, the detail of which will be dependent on the approach agreed.



Having constructed plan, and been involved in the construction of the detailed specification, TVI's continued involvement should be assured to optimise the success of the project.

3.4 Governance

- 3.4.1 Whilst LBN will lead on the procurement on behalf of both Councils complementary Procurement Strategy reports will be presented for members' consideration at October cabinet meetings which will also include indicative costing arrangements.

3.4.2 Appropriate Governance has been established for the transition programme including procurement and the Stabilisation programme. This will include the Lead Client directors for both Councils and the respective Section 151 officers. This will run alongside the regular briefing session for the respective cabinet member for each council.

Legal implications and risks:

There are no legal implications arising directly out of this report or its recommendations.

Financial Implications and risks:

The wider financial implications will be reported to Cabinet in October

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HR Implications and risks:

There are no HR implications arising directly out of this report or its recommendations.

Background Papers

Stabilisation Programme

Commercially sensitive programme management reports on the Transition Programme