

Report of Cabinet Member for Finance and Strategy

Cabinet – 21 January 2016

THE MOVE TO AN IN-HOUSE MANAGED ICT SERVICE

Purpose:	The purpose of this report is to provide Cabinet with the details of the closure report and to demonstrate that the project has achieved what it set out to deliver.
Policy Framework:	Finance and Strategy.
Reason for Decision:	No Decision – Final Update on The Move to an In-House Managed ICT Service.
Consultation:	Legal, Finance, Procurement, HR.
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1.0 Introduction and Summary

- 1.1 The Council initiated a project to manage the Exit from the 10 year Strategic Partnership Agreement with Capgemini which terminated on 31st December 2015.
- 1.2 An ICT Contract Options Report was taken to Cabinet on March 11th 2014 which identified the options available to the City & County of Swansea, to ensure the continued provision of ICT services when the current ICT Contract with Capgemini expires.
- 1.3 Cabinet approved the report and authorisation was given to proceed with the development of an ICT Operating model and proposed delivery of the ICT In-house managed service.
- 1.4 Work started on the project in March 2014, to Exit the Capgemini Contract and to develop the detail of the in house managed service, with support from Gartner who provided due diligence advice.

- 1.5 A further report was taken to Cabinet in December 2014 with the proposed new ICT operating model including use of a 3rd party Oracle Support Supplier. Cabinet approved that report and the Move to an In-house Managed ICT Service Project started work January 2015. Cabinet subsequently agreed a revised ICT/Digital Strategy in November 2015.

2.0 Key Objectives and Scope of the Project

- 2.1 The project consisted of 3 main elements.
- The smooth exit transition from Capgemini including staff and operations
 - The implementation of an ICT Service Desk
 - Procuring on-going Oracle Support
- 2.2 The Key objectives of the project have been achieved and are detailed below:
- Transfer in-scope staff from Capgemini to the City and County of Swansea in accordance with relevant staff transfer regulations.
 - Migrate support of the in-scope Services from Capgemini to the City and County of Swansea with minimal business disruption
 - Involve and consult transferring staff during the transfer process
 - Define the on-going Governance for Service Delivery
 - Provide a smooth Exit Transition with minimum service disruption for the City and County of Swansea
 - Implement a strong governance model to closely monitor the deliverables
 - Appoint an Oracle supplier to ensure ongoing support for ISIS
 - Incorporate the Corporate Service desk into the current schools service desk.
- 2.3 The Key milestones of the project were achieved on target and are detailed below:
- Project Plan Complete
 - Wave 1 Staff Transfer complete (Infrastructure staff excluding Service Desk, Back up and DBA teams)
 - Wave 2 Staff transfer Complete (Application services staff and Service Desk staff transfer. DBA and Backup services transferred)
 - Transition Closure Report
 - Oracle support in place
 - Implemented Council wide ICT Service Desk

All tasks were achieved on time and to plan

3.0 External Assurance

- 3.1 External advice and assurance has been provided by Gartner throughout the project at key points. This has taken the form of conference calls with

advisors and analysts on the approach to in-house sourcing, advice on best practice operating models and how to create this from information from the business and best practice templates. Gartner also reviewed the draft Exit Plan which was compiled with Capgemini and agreed that it covered the areas required. Gartner provided valuable input by reviewing and providing assurance on, the detailed transition plan and also reviewed the Oracle Procurement process and selection. They confirmed that the scoring matrix and process was robust and highly rated the successful supplier, which was based on Gartner's global market intelligence.

3.2 Garner has provided the following statement:-

We can confirm that various members of staff within the IT team of the City & County of Swansea utilised the subscription to Gartner for research and advice at various stages during the insourcing project. In particular, the elements of the project that have undergone review include the development of the operating model, review of the detailed transition plan and the Oracle support procurement. The final review took place in January 2016, which comprised a critique of the document entitled 'End of Project Report, Everyone's IT Project' by analyst Michael Hanford. The overall summary by the analyst was of a job very well done with some minor learning points outlined for future reference.

A key component of Gartner's value to clients is the ability for them to peer connect on topics in a world removed from vendors. The success of the insourcing project at Swansea has led to a number of Gartner clients who have started insourcing projects requesting to speak to Swansea. Being a beacon Council during difficult times of austerity is a great accolade to all those who worked on this project, and we are proud to have been associated with it. Gartner look forward to continuing the relationship with the Council as they look to leverage the power of their in house IT team and deliver savings through a digital strategy.

4.0 Benefits

4.1 As previously stated there are a range of benefits from the in-house managed services. The End of Project report details those that have already been achieved and those that are expected to be achieved in 2016. In summary the key benefits include:

CCS ICT Service Desk implemented.

The user portal and password reset have been implemented to enable self service options. The self-service element of the service desk follows the principals of the business support commissioning review. This will also support the approach to demand management for those services which may use the same system in the future, e.g. other internal customer contact.

Out of Hours Support

There are reduced costs for out of hours support maintenance as these are delivered either through the use of flexi time or standard overtime costs and not the contract rate card which Capgemini apply to these services which was significantly more expensive.

Enhanced Flexibility

The in-house service has been restructured to provide a more flexible ICT Service. The Council would be in control of all the resources and could therefore manage those resources more effectively. Now all the staff have transferred, plans are being put in place to cross train teams to create flexibility in resource management. This has already been demonstrated in the recent electrical work and subsequent disaster recovery as staff that transferred worked long hours before, during and after the changes, sometimes until the early hours of the morning. If the contract were still external the remedy would have been very costly for the Council and in all likelihood would have taken longer to resolve with the previous supplier.

Collaboration

The Council is in a better position to collaborate with other organisations and reduce costs for the Council. ICT is now working with Neath Port Talbot to provide shared resource in some areas and aligning future developments. This level of innovation would not have been possible under the Capgemini contact without incurring significant cost.

ICT Cost Savings

Savings identified in the MTFP will be delivered in April 2016. These are:-

	£000
Saving 2015/16 – Project Management	58
Saving Target 2016/17 - Cap Gemini Unitary Charge	1,136
Saving Target 2016/17 - ICT Investment Fund	40
Saving Target 2016/17 - Research & Information	79
Saving Target 2016/17 - Oracle Systems / Proposals	192
Total	1,505

Another benefit that was not previously identified but has been realised is that unknown skill sets of the transferred staff have been utilised in forming the new service delivery plans for the ICT digital strategy. These skills will also be used to help deliver the ICT elements of *Sustainable Swansea – Fit for the Future*. Cross training of these skills is being

undertaken to improve ICT service delivery. This has improved morale across the teams.

5.0 Oracle (ISIS) Procurement

5.1 Oracle supports finance, procurement, HR/payroll and operational activities across the Council. There are c3,800 users, with c1,000 core users (i.e. excluding employee/manager self-service and iSiop).

A considerable investment has been made in implementing and developing Oracle over the past 8 years. It provides the Council with an integrated system and supports business processes across a number of areas. It is central to our self-service agenda for business improvement and efficiencies.

5.2 The procurement strategy was effective and the project used the Crown Commercial Services Enterprise Application Support Services framework to procure Oracle support.

All suppliers on the framework were invited to attend an open day on 17th February 2015 to discuss the draft specification. This was to ensure that the Council had included everything and to provide recommendations on what could be included to ensure a high quality service.

Using this framework significantly reduced the timeframe for the procurement but added a level of assurance and quality.

5.3 Our new Oracle partner is Infosys and they took over support from 1st November 2015. Infosys are a global company with an excellent reputation. Gartner, our external advisory company for IT, have assured Infosys as a company, in being able to provide excellent Oracle support services. This contract will enable the Council to ensure that developments and day to day support is enhanced.

6.0 Risks

6.1 Risk Management was performed in accordance with CCS Risk Management process and aligned to Capgemini's DELIVER methodology. The CCS Exit Transition Manager was responsible for recording and managing project risks for CCS and the Capgemini Exit Transition Manager was responsible for recording and managing project risks for Capgemini

Risks and Issues were tracked on a register. The major risks and issues reported to Board are as follows:

Ref	Risk	Comment/Action	Status
1	IF: Contract Change Note (CCN) is not agreed between Capgemini and the City and County of Swansea THEN: transition will be	The CCN was for the main contract and NOT for transition. However CCN was required or mandatory to agree and	Closed

Ref	Risk	Comment/Action	Status
	aligned to contractual dates.	kick off transition earlier than contractual timeline CG did take some time in preparing this document in line with the Contract. CCS obtained legal and Financial review and agreed within timescales.	
2	IF CCS team or a new service provider do not secure skilled staff for Knowledge Transfer activities as planned THEN it will impact Exit transition timeline	Initially the areas of concern were SQL and Infra DBA support. However resources were identified to carry out this support and also training requirements for the role. Training was conducted and so this did not impact the Knowledge transfer activities or timelines.	Closed
3	IF: some of the In scope TUPE staff may not join council THEN: Additional Knowledge Transfer sessions planning may be required	Some members of staff did not transfer back to CCS, however before leaving Capgemini we ensured they transferred knowledge to those colleagues who would be returning thus mitigating the risk and cost.	Closed
4	If Axios do not deploy resources for Service Desk Implementation in time THEN it may impact Service Desk go live	There was a delay with Axios deploying resource; however the consultant supplied was highly experienced. The plan was produced and CCS ensured the correct resources were identified and assigned to the project. All CCS staff were committed and worked really hard to ensure timescales	Closed

Ref	Risk	Comment/Action	Status
		were met.	
5	IF: CCS do not acquire additional SQL resource in time THEN: SQL resource on boarding will be delayed and may impact quality of services	Head of Information & Business Change has been working with NPT to establish a collaborative approach between NPT and CCS. NPT provided SQL resource for CCS.	Closed
6	IF: CCS operational teams do not have bandwidth to participate sufficiently in Axios Service Desk implementation then it will impact Service Desk implementation timeline	This was monitored closely and regular meetings held with team leaders to identify pinch points. The Operational team worked exceptionally hard to ensure delivery	Closed
7	Two BT links are connecting Civic center and Guildhall and if BT Link contract is not novated to council by 31.12.15 then the connectivity between two premises may get lost	The criticality of Links was been highlighted to BT- CCS account manager and she acknowledged the same. BT-CCS Account manager created the links novation document and this was signed off by CCS. BT provided contract novation document to CG. CG reviewed the document and provided feedback to BT. BT to respond. The contract has been signed by the 3 parties, Capgemini, CCS and BT.	Closed
Ref	Issue	Comment/Action	Status
1	Oracle Licence agreement is in Capgemini's name and so	Oracle had to reissue the agreement, however	Closed

Ref	Issue	Comment/Action	Status
	Oracle need to release a new agreement to CCS for both parties to agree a change of name on the licenses. The licence agreement did not reach Oracle by the deadline date 31st August. It is not clear at this moment if Oracle will change the date and will send back the document or will start the entire process again. Capgemini Procurement dealing with Oracle and will Inform CCS asap.	the CCS Oracle team Leader spoke with Oracle and they agreed to reissue the original agreement with an extended date and not re start the whole name change process.	

6.2 Outstanding risks

No outstanding risks

7.0 Financial Implications

7.1 The transition costs for Everyone's IT project are shown in the table in Appendix A. The process has been contained within the 2014/15 and 2015/16 Information & Business Change budget, together with a negotiated reduction in the final 5 months of the contract

7.2 Appendix B shows the indicative costs of the in house managed service to be £6.222m in 2016-17, a saving of £1.505m on the 2015/16 budget of £7.727m. The reduction is in line with the targeted saving in the Medium Term Financial Plan.

8.0 Legal Implications

8.1 The Legal team were part of the Project Board and provided input where necessary during the project on contractual and procurement matters. There are no legal implications as part of this report.

9.0 Equality and Engagement Implications

9.1 An Equality Impact Assessment Screening form has been completed and it was agreed that a detailed assessment was not required. Although ICT systems are visible to the public the ICT / Information and Strategy Services are not public facing. ICT systems are enablers for Council services and schools on many levels however the management of ICT is a back-office function.

- 9.2 Systems are designed, developed and prioritised based on customer need as communicated via the business. Changes are business and customer-led and not ICT driven, however, this will be kept under review as technology developments grow, as per the approved ICT Digital Strategy.
- 9.3 The regulatory requirements of the Equality Act 2010 and the Welsh Language (Wales) Measure (2011) will be an integral and early part of the design of any changes which may affect members of the public or other service users.

Background Papers: None

Appendices: **Appendix A** – ICT Transition Costs
Appendix B – ICT Budget 2016-17
Appendix C – The Move to an In-House Managed ICT Service
Project End of project Report V1 0