
REVIEW OF THE ICT CONTRACT

1 PURPOSE OF REPORT

- 1.1 This report is a final report and contains the Review Committee project team's observations on the information provided to them during their review of the Council's ICT contract.

2 INTRODUCTION

- 2.1 The topic for review was first suggested during the 2016/17 municipal year and the first meeting took place in March 2017. Since then further regular meetings have been held, during which time the ICT contract has moved from Capita (old supplier) to Eduserv (new supplier) and the Council's data and systems have been transferred to the Microsoft Azure Cloud.

3 GENERAL

- 3.1 At Council on 19 July 2016 approval was given to award Eduserv the contract to undertake the migration of the Council's ICT Systems to Microsoft Office 365 and the Microsoft Azure Cloud and to manage the Council's ICT Services. Under this contract the migration was to have taken place by the time the existing Capita contract came to an end in March 2017.
- 3.2 Under the new contract the day to day support of the system was to be brought back in-house.
- 3.3 Prior to going out to tender for the above contract a decision had been taken to put on hold a refresh of the server environment and the allocated £300,000 had been removed pending the IT contract renewal (The Executive, 2 March 2016).
- 3.4 Following the awarding of the contract Eduserv undertook an examination of the Council's ICT systems in preparation for the migration and identified that the server estates needed modernising. The Council had a number of servers using old software and some of the software systems that the Council was using had not been kept up to date.
- 3.5 It was determined that a two-stage approach was necessary, which would require a 'lift and shift' of the Council's systems from Capita's Data Centre to Eduserv's Data Centre and then the systems would be migrated from there. This would entail an extension of the Capita contract for a 6-month period, which was agreed by Council on 25 April 2017.
- 3.6 This contract ran out in March 2017 and there was a transition period where the responsibility for some parts of the service (network and infrastructure) were transferred to the new supplier, Eduserv, and the day to day support of the system was brought back in-house.

- 3.7 The Council also has support/maintenance agreements and licences for specific software (planning, environmental health, etc.) and hardware with several third-party companies.
- 3.8 As part of the new contract with Eduserv the Council's ICT would be migrated to the Azure Cloud, and then Microsoft Office 365 would be rolled out to users.
- 3.9 There was no handover of information on infrastructure or scripts from Capita to Eduserv as, under the former contract, this was Capita's property. This caused issues when running the system, as the Council originally had to either rely on engineers from other local authorities for support or pay for assistance from Eduserv. Under the new contract this information is owned by Rochford District Council.
- 3.10 Under the original agreement with Capita the onsite engineer was to be TUPEd over to the Council; however, the engineer left Capita prior to the transfer. The Council had to use other less experienced staff, along with paying other authorities for their staff's expertise, when a need had been identified.
- 3.11 In addition, it was identified that certain of the Council's third-party software was not of a sufficient version that it could be transferred to the Cloud straight away. These versions of third-party applications that the Council uses have had to be brought up to date to allow for migration to the Cloud to take place.
- 3.12 The move to the Eduserv Data Centre took place on 29 September 2017.

Timeline

- 3.13 At its meeting on 25 October 2017 the project team was advised that most of the Council's systems would be migrated to the Azure Cloud by 1 January 2018 and that Eduserv was working on a detailed project plan to achieve this. Following a recommendation from Eduserv the move to Office 365 had been put on hold until after the migration to the Cloud. This was to avoid complicating the data moves and the impact that it would have on resources from the Council's side. Eduserv is a managed Service Provider (MSP) but does not support the Council's applications.
- 3.14 Members of the project group were told at their meeting with the Assistant Director, Transformation on 15 February 2018 that the migration to the Cloud (Azure) was going quite well with a number of servers and their contents already transferred over by Eduserv. The group was advised that the Azure migration and move to O365 were set to take place by July 2018. Due to the imminent move to O365 the group was advised that it had been decided not to spend too much money on the existing outlook problems although, with the help of Eduserv, IT had managed to resolve some of the issues. At the same time a new member of staff had been recruited to support the IT Service Desk.

- 3.15 The meeting of 26 June 2018 was told that the migration would take place possibly by the end of September and this was confirmed in the report to the Executive (11 July 2018).
- 3.16 It had been necessary to amend the critical path of the project to reflect the fact that the milestone for Remote Access (RDS) test server readiness had been delayed. This was because the Council's corporate portal failed to load onto the server which, in turn, meant that there was not a correct working platform on which the new Office 365 could be tested. Despite the best efforts of experts at Eduserv and the Council's IT team, it had not been possible to resolve the problem due to the way that the server (a legacy from the Capital contract) had been configured. In order to prevent the entire programme from stalling, a decision was made to build a brand-new test server and to reload the application software.
- 3.17 The final payment milestone was also changed to reflect an operational decision to delay the migration to the cloud of the Council's finance system and parts of the Academy software system. This was due to the risk of failure at what would be a business-critical time for that part of the Council and to ensure that the service area was able adequately to resource user acceptance testing.
- 3.18 The group was also advised that there were some applications that had been identified that were on 2003 servers, which would not be able to be moved into the Azure Cloud.
- 3.19 Due to equipment failure within the Council's ICT server room on the weekend of 18 August 2018, and a catastrophic electrical failure within Eduserv's data centre on 21 August 2018, telephone and computer systems were inaccessible.
- 3.20 At the 5 October 2018 meeting of the group it was stated that if the Council's software had been migrated to the Azure (Microsoft) cloud and O365 had been rolled out, the recent outage would not have had such a serious effect.
- 3.21 The group was advised that the migration had been delayed due to two reasons. The Council lost its service desk resource in July. This meant that the business as usual work (service desk calls, procurement and roll out of O365) had to be undertaken by the remaining two members of staff who were also working on the migration project.
- 3.22 In addition, Eduserv had lost a number of staff who were working on the project and, whilst they had brought in other members of staff, it took a number of weeks for them to come up to speed with the project.
- 3.23 A decision to prioritise moving all the software to the Azure Cloud was taken but, due to some software not being up to date, Rochford staff have had to be more involved than anticipated.

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- 3.24 The migration was due to be completed by the end of September but because of the outage for two weeks in August this was delayed. Eduserv provided a revised project plan.
- 3.25 Whilst originally it was felt that three systems, Academy, Comino and IDOX, would remain outside the Cloud the project group was advised that all three would now be moved to the Cloud.
- 3.26 Academy could not go into the Azure Cloud but Capita (Academy software owners) had their own managed service, which could operate in their own Cloud; currently there are ongoing discussions regarding the costs for this.
- 3.27 The other two would be moved into the Azure Cloud, although Comino is currently in a test environment in the Cloud as it is ten versions behind. Civica, the supplier of the system, would be supporting staff as the upgrades were rolled out to explain the increased functionality. It was hoped that external customers (residents) would find it easier to navigate when accessing things like the planning portal.
- 3.28 At this meeting the group was told that by the end of October Eduserv would have fulfilled their obligations under the migration project.
- 3.29 The Review Committee on 9 October 2018 was told that the IT project plan now showed that Windows O365 would be implemented and ready for RDC to transfer officers over to, and all applications (with the exception of Academy) migrated to the Cloud by the end of November 2018 as part of the original contract with Eduserv.
- 3.30 The group was advised that Eduserv's delivery was the migration to the Cloud, not the implementation of O365; that was an RDC responsibility. Eduserv would continue to help RDC but the full roll out to staff of O365 would not be completed by the end of October; neither would the training for Comino.
- 3.2 At the 30 November 2018 meeting the group was advised that there was one more server to be built and it would be available by mid-December. At the same time they were advised that there were 16 out of scope servers, including the Revenue and Benefits System (Academy).
- 3.3 The original specification for Eduserv to stand-up servers within the Azure Cloud was almost complete. A formal change control has been agreed with Eduserv for the removal of the Academy, (Revenues and Benefits) system, ACR (Axis Cash receipting), Chip & Pin, Income Management and TeamSpirit (Payroll System) as these would be managed under a third party software provider managed service agreement and would not move to the Azure Cloud.
- 3.4 At the last meeting with the Assistant Director, Transformation on 20 March 2019 the group was advised that the move of the Civica System (Comino) was still ongoing and the training had been delayed due to illness.

- 3.5 It has been decided that the Academy service from Capita would go to a managed service in the Capita data centre rather than the Azure Cloud. Currently RDC is in negotiation with Capita and, as there would be likely to be an increase in the payment to Capita for this service, a report would be submitted to the Executive.
- 3.6 As at the date of the meeting 75 staff had been transferred over to O365 and the programme was still being rolled out. It was expected that the roll out would take up to the middle of the year. The delay to the roll out was in part caused by compatibility issues with other software. Users from the Revenues & Benefits department and Customer Services may be delayed in implementing O365 until after Academy is moved to a managed service.
- 3.7 There had also been some teething problems with O365 which had to be overcome before the roll out could continue. Eduserv were not experts in the applications that RDC uses so were not able to predict the problems RDC has faced. Some of the other Essex Authorities have experienced similar issues to RDC.
- 3.8 Members of the group pointed out that from a simple google search relating to problems around O365 it revealed that the problems being encountered are not unique to RDC.
- 3.9 Work has been completed to move Members across to the O365 Microsoft platform and training had been arranged on the new laptops, SharePoint and Onedrive functionality.
- 3.10 An officer O365 migration plan was in place and full migration was due to be completed in July/August. The majority of staff would be using O365 before this date.
- 3.11 Eduserv currently have provided 95% of what they were contracted to do, although three servers have been added to the original scope.
- 3.12 Whilst Eduserv were tasked with providing the facilities for O365 it was RDC's responsibility to roll it out.
- 3.13 Of the original 125 servers, 61 are no longer required, either because applications were no longer in use or several applications had been re-hosted on one server. Sixteen servers were not in scope, 38 servers had been built in the cloud, three servers were awaiting application provider specifications and seven had been replaced by a web service.
- 3.14 Despite the changes to the project and the time it has taken, Eduserv were only receiving the original cost of the contract agreed with them. The only additional payment to Eduserv was for the data centre move which was agreed by Council.
- 3.15 Eduserv realigned the project to more realistic dates following their discovery phase and in agreement with RDC.

- 3.16 The approximate cost of the contract when Capita was responsible for the Council's IT system was £365,000 per year. Ongoing, RDC will have to pay Eduserv £9,000 per month and then a payment to Bytes for the Azure Cloud usage. Once RDC has moved completely to the Azure Cloud the aim will be to baseline the costs and then see what reductions can be achieved. The Assistant Director, Transformation and Customer will have a better understanding of these savings later in the year when the Azure Enterprise licence is up for renewal.
- 3.17 Some savings were made when Members moved to O365 as RDC approached Bytes regarding licenses; as Members were not using the full functionality, a £3,000 saving per month was achieved.
- 3.18 Following an electrical and infrastructure audit of the server room at Rochford. £100,000 has been allocated in the capital budget for possible remedial works. There will need to be at least one rack which will host Rochford's switches post the migration to the Cloud and the Council needs to make sure that it has resilience and a workable disaster recovery option.
- 3.19 RDC are waiting on Southend Borough Council to provide the infrastructure audit, after which there will be a meeting to discuss its implications. With the asset strategy project going through the Investment Board there will be a workstream which will focus on the IT requirements.
- 3.20 It is expected that 90% of the staff will be on O365 by July and the last to move over will be the Revenues & Benefits and Customer Service staff. It has been identified that the Revenues & Benefits system (Academy) will take an estimated transfer time of six months. It is envisaged that the Revenues & Benefits staff might need to have access to O365 and a portal but this is being looked at.

4 CONCLUSIONS

- 4.1 A lot of the problems that RDC has experienced are due to its legacy systems and out of date software. It is a requirement of Azure that all software must be working on the latest version of that software.
- 4.2 The Capita service desk support member of staff left before being TUPed over and left a gap that took time to fill as RDC did not have anyone with the necessary skill set to take over the service desk role. Since the move RDC has recruited three staff within the IT team, one of whom is an apprentice.
- 4.3 A cautious approach has been taken to the migration and the aim has been to mitigate the risk to the business before any activity takes place. A limiting factor has been the finite resource that RDC has to provide user support as well as to roll out the new services.
- 4.4 The Assistant Director, Transformation and Customer is confident that the new milestones for the roll out of O365 will now be deliverable. Whilst RDC

have mitigated most of the risk identified on a technical assessment there may still be something unknown that might stop the roll out.

- 4.5 By not spending previously and cutting over £200,000 from the budget RDC has compounded the costs of the migration.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RECOMMENDS**

- (1) That the project group continue to monitor the migration and associated costs to completion.
- (2) That, in order to have some capacity for the forthcoming IT changes, the project group attached to the asset delivery and transformation project should take on responsibility to monitor the ICT post migration to make sure that the two projects are connected.

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