
OPTIONS FOR INFORMATION COMMUNICATION TECHNOLOGY (ICT) PROVISION AND SUPPORT CONTRACT

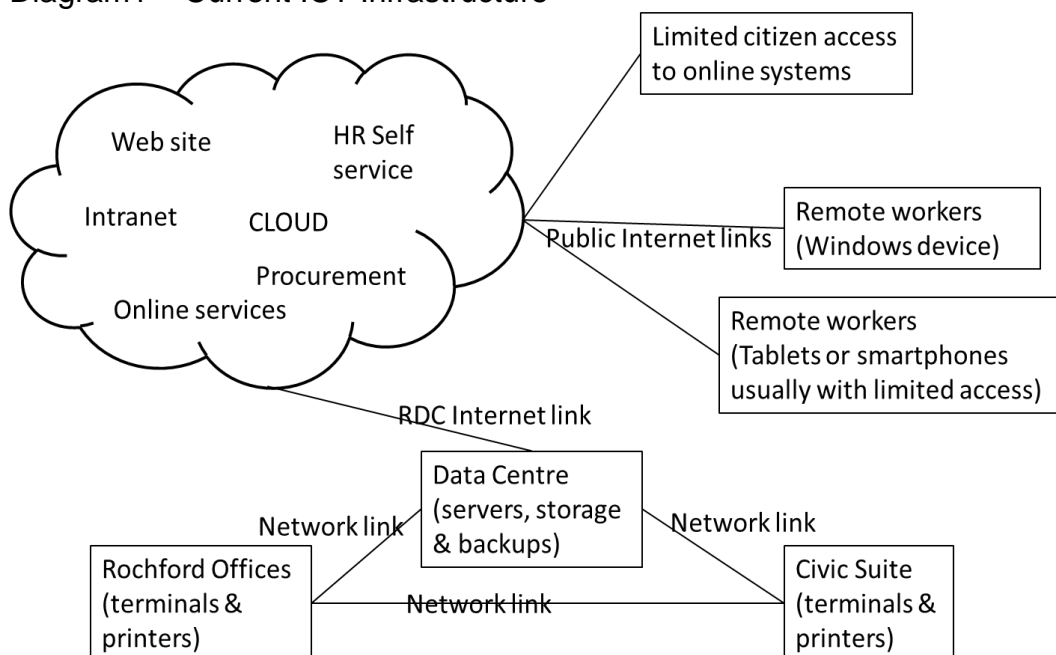
1 PURPOSE OF REPORT

- 1.1 The Council contracts externally for the provision of ICT services and, with marginally in excess of a year remaining, the Council needs to decide on the most appropriate and cost effective way of delivering ICT going forward. This decision must be taken in a time of rapid change, both in culture and technology, against a background of reducing public sector funding and the need to ensure that value for money is achieved. This report presents options for achieving this.

2 INTRODUCTION

- 2.1 The Council's contract for the provision of ICT services and support is with Capita Information Technology Enterprise Services (ITES) Ltd. It commenced on 1 April 2013 and ends on 31 March 2017. It was jointly procured with Braintree District Council, Castle Point Borough Council and Colchester Borough Council. It is run as four separate contracts, but savings are made by the contractor jointly resourcing all four contracts.
- 2.2 There is an option for 2 two-year extensions and Capita have indicated that should this option be pursued it will increase the current contract value.
- 2.3 Capita ITES Ltd acts as the Council's technical ICT section. It provides support and maintenance for all of the ICT infrastructure and applications, either directly or through its sub contractors. Minor upgrades to systems and applications are also included in the contract. Capita has a support engineer on site and the Council has access to resources in a wider pool of support teams and experts, which are used as required. The support is provided 8 am to 6 pm Mondays to Fridays. It is charged monthly on a volumetric basis and for 2015/16 the estimated cost by end of year will be £360,000.
- 2.4 Capita also undertakes project work such as major system upgrades. These are chargeable according to a schedule of rates set within the contract.
- 2.5 The Council's ICT is currently as shown in Diagram 1.

Diagram1 – Current ICT Infrastructure



2.6 Going forward there are three options.

Option 1 – Extend with Capita ITES Ltd

2.7 Capita ITES Ltd has provided costs and charges for extending the contract with the existing service level provision. This would continue to provide the service as described. The revenue costs depend on how many of the four participating councils decide to extend the contract. Under the terms of the contract the date for notification of an extension would be July 2016 at the latest.

2.8 Capita ITES Ltd's performance has varied through the life of the contract and, in order to provide to the optimum level, additional resources will be required from all parties.

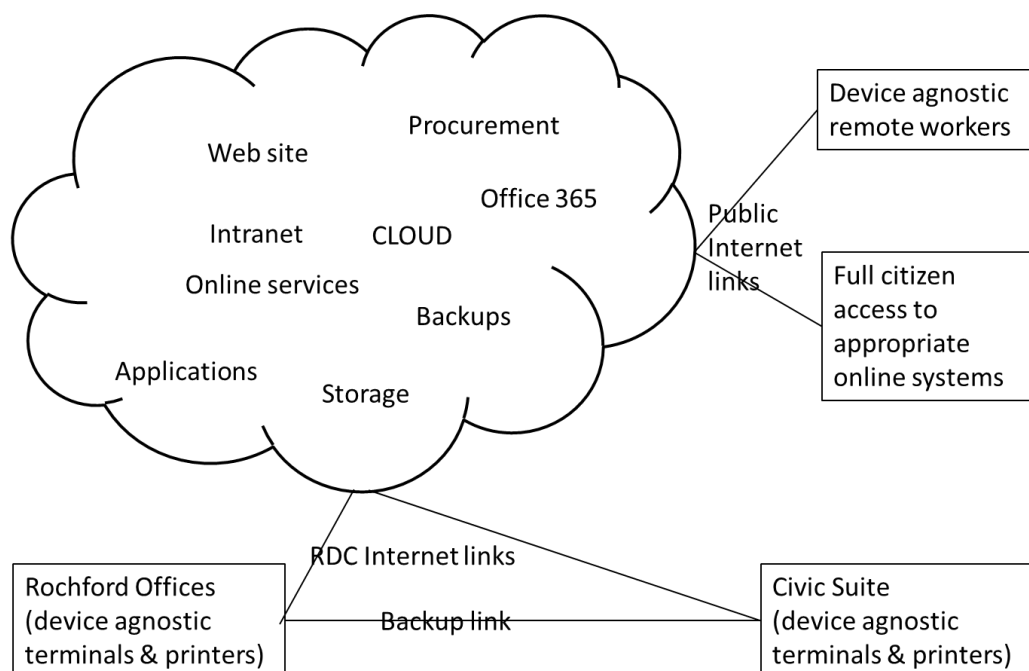
2.9 There is an immediate capital investment required by Rochford District Council (RDC), estimated to be circa £320,000, to upgrade vital infrastructure if the contract is to be extended.

Option 2 – Extend the contract and move to an infrastructure free operating environment

2.10 To reduce the capital investment in ICT and move to a lower based revenue model, the Council could opt for an infrastructure free solution. This would be achieved by moving all RDC applications into the Cloud, either as a completely hosted service or on a rented infrastructure basis, where a hosted service is not available, using a platform known as Microsoft Azure. This platform has been chosen as it is the only one that currently meets the cyber security requirements of local government.

- 2.11 In this option the Council would no longer own any physical servers and would move to a revenue based model with only limited capital required. Capita has outlined such a solution, but other suppliers also offer this. To achieve this, the model shown in Diagram 2 would be implemented.

Diagram 2 – Infrastructure free model



- 2.12 All of the Council's servers would be virtual, hosted in the Cloud. Full access to the applications on these servers would be possible from any internet enabled device using any browser (known as device agnostic access). It would also allow Members and officers to access the Office 365 suite. This provides Microsoft Outlook for emails and calendars, Word, Excel etc. It would remove the need to use the Good for Enterprise package for remote emails from smartphones and tablet devices.
- 2.13 This approach would allow Members and officers to access the system from anywhere that has an internet connection, using any device that has an internet browser, which would facilitate a very flexible approach to working, and reduce unnecessary journeys.
- 2.14 It would future-proof the Council's ICT infrastructure, making it much easier to move to different office accommodation, as well as allowing work to be done away from the Council offices. It would allow the Council to change hosting platforms easily as better deals become available. The Council would also be able to investigate rationalising its third party software to provide a better service and reduce associated revenue costs. It may reduce revenue costs, but would require the capital investment mentioned in 2.9, as well as additional capital investment.

Option 3 – Move to the Microsoft Azure Platform without extending the Capita ITES Ltd contract

- 2.15 This would deliver the same solution and benefits as Option 2, but would require a procurement exercise to ensure that the optimum solution is provided and value for money is achieved. Soft market testing undertaken has indicated the availability of a market for the product outlined.
- 2.16 The timetable for this procurement would be agreed and a further report would be presented to Council when the quotes have been received.

3 RISK IMPLICATIONS

- 3.1 If Options 2 or 3 are chosen, but there is a delay of more than a few months in procuring and implementing them, it may be necessary to perform the upgrade mentioned in 2.9. This would have to be met from general funds.

4 ENVIRONMENTAL IMPLICATIONS

- 4.1 The Council already makes electricity savings and hence achieves lower emissions by being in the data centre, when compared with hosting its infrastructure on site. Further reductions would be made by choosing Options 2 or 3.
- 4.2 Options 2 and 3 would lead to more flexible working in terms of location. This could reduce journeys made by Members and officers on Council business.

5 RESOURCE IMPLICATIONS

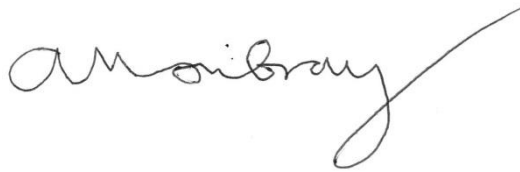
- 5.1 The investment required will be contained within the medium term resource strategy.

6 LEGAL IMPLICATIONS

- 6.1 Any new contract will be subject to procurement rules and legal scrutiny.

7 RECOMMENDATION

- 7.1 It is proposed that Council **RESOLVES** that in order to ensure appropriate use of public funds and value for money is achieved, Option 3 be taken to the market and a further report be made to Council when quotes have been obtained.



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Background Papers:-

None.

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