

CABINET MEETING – 3 DECEMBER 2014

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Proposals for an alternative service delivery model for ICT

Author(s):

Assistant Chief Executive

Purpose of Report:

- To present the overall aim and objectives of a proposal for an alternative service delivery model for ICT to future proof and further develop the current offering, support new models of service delivery and reduce costs.
- To seek approval to procure a specialist partner to deliver an alternative approach to ICT to ensure that ICT and connectivity requirements underpin the delivery of the key priorities for the city.

Description of Decision:

Cabinet is recommended to:

- Approve the procurement process for the appointment of a support partner to deliver an alternative approach to ICT;
- Agree to receive a further report on the outcome of the procurement process prior to contract award;
- Authorise the Assistant Chief Executive, in consultation with the Deputy Leader, to appoint the necessary external procurement support for the purposes of the above.

Is the decision consistent with the Budget/Policy Framework?

*Yes/No

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

This approach:

- Will deliver an alternative service delivery model for ICT necessary to underpin the delivery of the key priorities for the city as part of the Community Leadership Council going forward.

Alternative options to be considered and recommended to be rejected:

- Do nothing – the ICT infrastructure and supporting service would be unable to keep pace with developing technologies and the expertise required to underpin the delivery of the key priorities for the city, to create the flexibility and innovation to support the increasing diversity in alternative models of service delivery or for Sunderland to remain a leading digital authority, recognised at a national level.

Impacts analysed:**Equality****Privacy****Sustainability****Crime and Disorder****Is this a “Key Decision” as defined in the Constitution?**

Yes

Is it included in the 28 Day Notice of Decisions?

Yes

Scrutiny Committee

PROPOSALS FOR AN ALTERNATIVE SERVICE DELIVERY MODEL FOR ICT

REPORT OF THE ASSISTANT CHIEF EXECUTIVE

1.0 Purpose of the report

- 1.1 To present the overall aim and objectives of a proposal for an alternative service delivery model for ICT to future proof and further develop the current offering, support new models of service delivery and reduce costs.
- 1.2 To seek approval to procure a specialist partner to deliver an alternative approach to ICT to ensure that ICT and connectivity requirements underpin the delivery of the key priorities for the city.

2.0 Description of Decision

- 2.1 Cabinet is recommended to:
 - Approve the procurement process for the appointment of a support partner to deliver an alternative approach to ICT;
 - Agree to receive a further report on the outcome of the procurement process prior to contract award;
 - Authorise the Assistant Chief Executive, in consultation with the Deputy Leader, to appoint the necessary external procurement support for the purposes of the above.

3.0 Introduction

- 3.1 Integral to the Council's transformational change programme to provide for sustainable integrated public services against a backdrop of significantly reduced funding, the Council needs to develop an alternative approach to ICT that will see Sunderland thrive in the digital age and exploit technology within the city.
- 3.2 As a Community Leadership Council it is necessary to develop the infrastructure to; understand local need, prioritise our resources, enable our priorities to be met through a range of new service delivery mechanisms and assess impact and outcomes.
- 3.3 The new established Intelligence Hub is providing the necessary insight to inform our transformation but an alternative approach to ICT is vital to ensure we have the underpinning technology to support and enable;
 - the provision of customer centric sustainable services at lower cost
 - more innovation in the way that services are delivered, businesses are developed and opportunities are maximised

- the involvement of a wider audience in co-designing and co-producing better, more responsive services
 - the greater involvement and empowerment of citizens and communities
 - our ability to effectively commission and understand if our new service delivery mechanisms are delivering the right things for the city
- 3.4 We need to work collaboratively to achieve this with the focus clearly on customer and business drivers. Technology is a key enabler but co-dependent on the effective use of intelligence, the evolution of the correct governance mechanisms, the engagement of innovators and entrepreneurs and most critically, of those people, businesses and communities who are passionate about delivering the best possible outcomes for Sunderland.

4.0 Background

- 4.1 It has been well recognised that there is a need to change the traditional approach to how ICT is delivered within Sunderland to create the flexibility and innovation required and to support the increasing diversity in alternative models of service delivery.
- 4.2 The initial phase of this work investigated the potential of a shared ICT service with Durham County Council, supported by a strategic / commercial partner. This exercise concluded in June this year with Cabinet approving the recommendation not to pursue the implementation of a shared service due to the different objectives of the two organisations.
- 4.3 Further work has since been undertaken to explore the best possible option for Sunderland and in recognition of the strategic importance of ICT, both in the delivery and transformation of services and in the economic and social development of the region, the recommendation is to seek a strategic partner to help us develop and deliver an alternative approach to ICT. Focused upon the delivery of the key priorities of the city as part of the Community Leadership Programme, a strategic partner would support the Council's role as an enabler and influencer and a commissioner of services, with a new capacity and capability for partnering and networking. Trade Unions have been actively engaged and will continue to be consulted.

- 4.4 Technology is profoundly transforming society. In less than a generation, the internet has radically transformed the way we communicate and share information. Technologies have become very much a part of our daily lives and will continue to shape the way we live. Shaping things by making new collaborations possible, by reducing costs of entry to the market place and by accelerating the time it takes to get an idea to market.
- 4.5 We are seeing a stepped change from simply providing information and basic transactional services, to providing opportunities for residents and businesses to embrace the full benefits of the digital age, driving economic growth, providing jobs, connecting communities and revitalising the way services are delivered.

5.0 Overarching Requirements

- 5.1 The introduction of a strategic partner would bring the external support and expertise required to support the development and delivery of an alternative approach to ICT at a pace and scale which we would not be able to achieve on our own. We would seek a strategic partner set within the context of our key priorities and values base, who would work alongside Palantir, our intelligence partner, focused on the following three areas;
- 5.2 **Innovation** – the role of ICT and intelligence in economic growth; job creation, business promotion, innovation and enterprise, open data sourcing and skills development.
Sunderland has seen a great deal of success in this area to date. The Council has driven forwards its own investment in digital resulting in quicker, faster more responsive services for customers and has been a key catalyst in orchestrating the thriving software sector currently enjoyed within the city. But to remain at the forefront of cutting edge digital services requires significant research and investment and the Council and its partners alone, cannot continue to invest at the levels required, particularly as resources continue to significantly tighten.
- 5.3 **Enhanced Services** – the role of ICT and intelligence in enabling effective interoperability across a wide range of service delivery models, providing connectivity and collaboration services; for example; wi-fi, networking, telephony services, desktop services.
The increasing diversity in service delivery models; Sunderland Live, Sunderland Care and Support, the LABV and the Leisure Joint Venture, is beginning to determine a more flexible and innovative set of demands from any future ICT infrastructure. As this landscape continues to develop, interoperability is vital to ensure successful partnership arrangements with robust commissioning, customer services and shared intelligence create a prosperous eco-system. Effective connectivity and collaboration tools at low cost are key to ensuring the new arrangements have the best possible chance of success with customer service and resulting customer insight kept close to the core of the Council.

5.4 Enabling Systems – the role of ICT in providing business applications to support the delivery of effective public services i.e. Social Care / Council Tax / Financial and HR systems etc.

Transitioning to new models of service delivery provides an opportunity to review our existing ICT estate and begin to divest and diversify based on the best possible fit for each of the individual business units. We currently have over 330 legacy ICT systems, many of which are based on old technologies which will not meet our needs going forward. Taking advantage of new on-demand offerings would significantly reduce cost and allow our ICT requirements to sufficiently flex as we continue to reduce the size and change the shape of the organisation.

6.0 Benefits and Success Measures

6.1 The development of an alternative approach to ICT will support the delivery of the Community Leadership Council by delivering a connected city through the smart use of intelligence and technology and will;

- support economic growth and more jobs in and for Sunderland
- create the conditions for innovation, investment and enterprise
- empower businesses and citizens to maximise opportunities
- foster civic engagement and volunteering
- provide opportunities for learning and skills development
- give broader opportunities to access to funding
- drive the reduction in multiple systems, software and processes and all associated infrastructure and support costs providing modern fit for purpose systems and collaboration tools.
- provide the appropriate connected infrastructure for the city

7.0 Financial Implications

7.1 Initial informal soft market testing has demonstrated that this type of partnership is an area of innovation and we have not yet seen our ambitions fully developed or deployed at a city wide level anywhere to date. Therefore it is recommended that the refinement of the full requirements and the associated benefits be undertaken via a competitive dialogue procurement process with a further report submitted to Cabinet in due course prior to contract award. At this stage it is envisaged that the Council's contribution would be in the form of its current ICT estate, assets and associated revenue budget subject to ongoing efficiency reductions. Significant associated opportunities and savings will arise as set out in paragraph 6.1 through future commissioning and other revenue savings for example from the rationalisation of systems.

8.0 Reason for decision

- 8.1 This approach is necessary to provide the ICT requirements which will support the delivery of the community leadership council.

9.0 Options

- 9.1 Do nothing – the ICT infrastructure would be unable to keep pace with developing technologies and the expertise required to underpin the delivery of the key priorities for the city, to create the flexibility and innovation to support the increasing diversity in alternative models of service delivery or for Sunderland to remain a leading digital authority, recognised at a national level.

10.0 Impact Analysis

- 10.1 An impact analysis will be undertaken as part of developing the Council's business case.

11.0 Other Relevant Considerations / Consultations

- 11.1 The proposal to define an alternative service delivery model for ICT is being managed within the council's standard project management methodology, all management products are being developed in consultation with a range of stakeholders on a project by project basis. All other considerations and implications will be considered as part of developing the Council's business case.

