Supplementary Information

HAVANT BOROUGH COUNCIL
EXTRAORDINARY CABINET
WEDNESDAY, 18TH JANUARY, 2023

Please note that the attached supplementary information was unavailable when the agenda was printed.

Agenda No	Item	
10	The Future Information Computer Technology (ICT) Infrastructure and Security Provision Options Paper	**1 - 34**

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PART EXEMPT

HAVANT BOROUGH COUNCIL

CABINET **18th January 2023**

FUTURE ICT INFRASTRUCTURE AND SECURITY PROVISION OPTIONS PAPER

Portfolio Holder: Cllr T Pike, Cabinet Lead for Digital

Key Decision: No

Report Number: ***HBC/114/2023***

1. Purpose

1.1. The current 5Cs Capita arrangements end in September 2025. This report sets out HBC's options for the development and procurement strategy for the future provision of the "ICT infrastructure and security provision" and makes recommendations.

1.2. To deliver a high quality, value for money procurement and future "ICT infrastructure and security" solution, an early decision is required on the strategy. This will enable the effective, efficient, and economic deployment of staff and resources.

1.3. Part of this paper is EXEMPT as it contains financial and commercially sensitive data which if put in the public domain could weaken the councils future negotiating position in achieving value for money for residents. Exempt financial and commercially sensitive data is contained in this paper's Appendices.

2. Recommendation

The Cabinet Lead for Digital recommends THAT:

2.1. Cabinet accepts the recommendation of Option 1 – Seek to contract to a single, new supplier (prime contractor) as the strategy for developing the future ICT infrastructure and security provision for the council.

2.2. The Executive Head of Commercial (acting in consultation with the Cabinet Lead, S151 Officer and Monitoring Officer) be delegated the authority to facilitate the development and procurement of the future provision of ICT infrastructure and security for the Council in accordance with Option 1 and the approved Digital Strategy design principles.

2.3. The Executive Head of Commercial, in consultation with the Cabinet Lead S151 Officer and Monitoring Officer, will arrange for a quarterly report to be presented to Cabinet by way of progress report on the development and procurement of the future provision of ICT infrastructure and security.

2.4. The Executive Head of Commercial, in consultation with the Cabinet Lead S151 Officer and Monitoring Officer, will present a fully costed business case for the procurement of the future provision of ICT infrastructure and security for Cabinet approval.

3. Executive Summary

3.1. This paper is concerned only with the services provided under the 5Cs Capita Contract for ICT infrastructure and security. Havant Borough Council's current digital service consist of 3 components:

a. An In-House Digital Team to support Councillors and staff as an intelligent client, manage the IT contracts and the interfaces between contracts, provide technical advice on strategy, procurement and security and manage IT assets.

b. The 5Cs Capita Contract which provides the current ICT infrastructure and security provision. Paragraph 5.2 lists the services provided. This paper is concerned with the future delivery of these services.

c. Non 5Cs Capita ICT contracts, particularly Software as a Service. Examples include the Building Control, Parking, Procurement, HR & Payroll, Modern Gov and CitizenLab.

Further details on the current and future provision of services are available in Appendix C and D.

3.2. The changes proposed are aimed at modernising the infrastructure and security that sits behind the user experience for HBC councillors and staff.

3.3. HBCs current ICT infrastructure and security provision is contracted through the Capita 5Cs partnership. The contract commenced in August 2016 and is scheduled to cease in September 2025. The partnership also includes Mendip District, Hart District, South Oxfordshire, Vale of the White Horse. The partners have agreed not to continue with the current arrangements.

3.4. Through a delegation of services arrangement, HBC currently delivers East Hampshire District Council's ICT infrastructure and security via the Capita 5Cs contract. The two authorities are now transitioning to standalone organisations, which is due to be completed by the end of 2022, although shared infrastructure will remain under the Capita 5Cs contract to 2025.

3.5. In line with good practice, HBC are reviewing their options with respect to future provision of ICT infrastructure, security and support in order to ensure an agreed sourcing strategy is in place in time for any required future procurement activity.

3.6. This paper provides a high-level view of the four viable options available to HBC for the provision of future ICT infrastructure and security, evaluates those options and makes recommendations.

3.7. The paper recommends **Option 1 – Seek to contract to a single, new supplier (prime contractor).as the strategy for developing the future ICT infrastructure and security provision for the council.**

3.8. Option 1 represents the most viable path to a successful transition out of the Capita 5Cs contract for services and the least risk in terms of migration and BAU provision. A single service provider allows the council to share service provision risk through strong contract management. It allows the council to explore and return to the market after a nine-year absence to gain a competitive contract with a reduced technical requirement and contract length while ensuring value for money.

4. Additional Budgetary Implications

4.1. The recommended Option 1 involves going back to the market after a nine-year break. As such, HBC's specification and operational requirements are smaller than they were in 2017, and so even with market uplift the budgetary implication is expected to be in line with or smaller than the annual expenditure that HBC contributes to the current 5Cs contract. This will be tested at tender and Option1 is based on the current estimated annual costs for ICT supplier without server hosting costs as described in Appendix A. The council is aiming for a new ICT infrastructure and security provision to be a cost neutral exercise.

5. Background and Business Case

5.1. Havant Borough Council's (HBC) ICT infrastructure and security provision are currently contracted through the Capita 5Cs partnership. The contract commenced in August 2016 and is scheduled to cease in September 2025.

The partnership also includes Mendip District, Hart District, South Oxfordshire, Vale of the White Horse and East Hampshire District Council.

5.2. The Capita 5C partnership covers the following service areas:

- Microsoft 365 tenancy administration.
- Device packaging (i.e. laptop/PC builds and application distribution)
- Security
- Hosting of servers
- Managed PSN-secure environment for Elections service (see Glossary at end of paper for details)
- Internet connectivity and Wi-Fi
- Staff helpdesk and escalation management.
- Desk telephony and integration

5.3. The following technical service areas are not included in the Capita 5C partnership and are under separate procurements/contracts and will remain so:

- Printing
- Software as a Service (see Appendix C and D)
- Device procurement (laptops and mobile phones)

5.4. The options discussed below have assumed that the migration of line of business applications from hosted system to alternatives will take place before the end of the Capita 5Cs contract in line with our commitment to the current Digital Strategy design principles and knowledge of de-supported software timelines.

5.5. HBC staff use a wide variety of business systems, some of which are hosted by Capita, some are already Software-as-a-Service (SaaS – a standalone online service provision) and some are also externally supported. SaaS solutions are the preferred options as they markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in Business Continuity Planning (BCP) for wider infrastructure disruption scenarios.

5.6. The systems currently hosted by Capita can be considered as legacy systems as they are inflexible and there are more modern alternatives available which will better support staff requirements and ways of working. These systems include the following regulatory services:

- Planning
- Environmental Health
- Licensing

- Land Charges/Gazetteer

5.7. The target system for a particular service would depend on their requirements but it can be assumed that a SaaS solution, or by exception a shared arrangement with another organisation, would be selected. SaaS solutions are the preferred approach as they reduce the maintenance and support requirements for the Council and provide greater flexibility in terms of licences and functionality. They do, however, tend to be provided at a premium to hosted solutions although not in all cases.

5.8. Based on these assumptions a new ICT infrastructure and security provision would therefore include:

- Device packaging and deployment (simplified due to accessing modern systems)
- Microsoft 365 administration
- Security management, reviews, and best practice implementation
- Managed PSN-secure environment for Election services
- Internet connectivity and Wi-Fi
- Staff helpdesk and escalation management
- Telephony integration

5.9. Due to the increased use of more modern and SaaS based applications, a new provision would be on a much smaller scale to that of the 5C contract provision because it is the council's intention to offboard legacy systems by September 2025 for which a capital budget already exists.

5.10. Definitive trends in Local Authority ICT provision are not available, however various sources have been identified relating to ICT outsourcing, insourcing and partnerships. These sources must be treated with care as many of them are provided by Outsource providers. However, overall, the most popular function to outsource across all businesses is IT[1]. Also, the number of small businesses planning to outsource business functions has increased from 80% in 2021 to 90% in 2022[2].

5.11. In a report from 2020 the Institute for Government[3] state that the circumstances in which insourcing could be beneficial are:

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[1] 2021 Global Shared Services and Outsourcing Survey Report - Deloitte
https://www.deloitte.com/content/dam/assets-shared/legacy/docs/analysis/2022/gx-2021-global-shared-services-report.pdf

[2] Clutch.co Benefits of Outsourcing
https://clutch.co/bpo/resources/benefits-of-outsourcing

[3] Institute for Government – Government Outsourcing
https://www.instituteforgovernment.org.uk/sites/default/files/publications/government-outsourcing-public-services-government-hands.pdf

1. The market from which government is buying the service is not healthy or competitive.

2. Government needs flexibility to make frequent or significant changes to the design and scope of the service, in view of changing policy and budget priorities.

3. Government lacks the commercial skills to procure or manage an outsourced contract successfully.

4. The service could be improved and/or savings made by integrating it with another service.

None of these points would appear to apply to HBC given that the IT market is competitive, and HBC have experience of successful outsourced contracts and is growing that capability.

5.12. The contract for ICT infrastructure and security provision does not include third-party management of other council contracts or support for these critical line of business applications. This is managed by Digital Services, a dedicated internal specialist technological team that supports HBC business-as-usual operations, statutory systems, projects and technology programmes. Digital Services provides HBC with advice, assurance and resources on all its digital projects, systems and issues.

5.13. As well as being the escalation route for Councillor and Staff IT issues under the 5Councils contract, Digital services is the liaison between Council, the 5C IT Client and our ICT provider, Capita, representing the council's interests and ensuring collaboration on infrastructure changes.

5.14. Digital services ensure that corporate systems, computers and mobile devices used to deliver council services to our residents are supported, secured, maintained, and licensed. The service curates a helicopter-view of all council ICT infrastructure with a mission to connect our systems for better service insights and improvements.

5.15. Appendix C details our current ICT set up and share of Capita vs. Council responsibility.

5.16. Appendix D details our projected ICT operating environment when a new supplier(s) have enacted delivery in 2025.

6. Options Considered

6.1. The following four viable options for the future of HBC's ICT infrastructure and security provision have been considered:

- Option 1 – Seek to contract to a single, new ICT infrastructure and security supplier (prime contractor).
- Option 2 – Seek to bring all ICT infrastructure and security in-house after exit from 5Cs
- Option 3 - Seek a partnership provision with another organisation
- Option 4 – Seek to divide the ICT infrastructure and security provision between multiple smaller supplier/partners

6.2. A key part of a sourcing strategy, relevant to all Options, is that the line of business applications should be moved to more modern Software-as-a-Service (SaaS) applications during January 2023 to December 2024. Any new provision will therefore require much reduced support from an alternative supplier and council staff.

7. Options Evaluation and Recommendation

7.1. A high-level cost analysis of the options has been undertaken to support decision making and is available in the Exempt Appendices, Appendix A.

7.2. To summarise the four options, the comparison table below rates expected 'Quality of Outcome' for the council using the following criteria:

- Value for Money, cost of migration and ongoing costs to the Council
- Experience for Councillors and Staff, responsiveness for issue resolution, ease of use
- Minimise risk burden to Havant Borough Council
- Flexibility, ability to rollout changes and react to changing demands to meet the needs of the authority and service challenges
- Reliability, ability to provide a secure, reliable IT environment and PSN-Secure environment for Elections data
- Ease of migration and transition from the existing contract to new operations, resource expenditure and deployment.

Criteria	Option 1 – Single ICT supplier	Option 2 – Internal ICT provision	Option 3 – Shared Partner ICT provision	Option 4 – Multiple smaller partners
Value for Money	**VHQ**	LQ	AQ	AQ
Experience for Councillors & Staff	**VHQ**	**VHQ**	AQ	LQ
Minimise risk burden	**VHQ**	LQ	AQ	LQ
Flexibility	HQ	AQ	LQ	**VHQ**
Reliability	**VHQ**	AQ	HQ	AQ
Ease of migration and transition	**VHQ**	LQ	AQ	LQ

Key:

- VHQ – expected Very High Quality of Outcome
- HQ – expected High Quality of Outcome
- AQ – expected Average Quality of Outcome
- LQ – expected Low Quality of Outcome

7.3. The table above identifies that HBC's recommended course of action should be Option 1 based on expected Quality of Outcome.

7.4. **The recommended option is Option 1 – Seek to contract to a single, new ICT infrastructure and security supplier (prime contractor).**

7.5. Option 1 represents the most viable path to a successful transition out of the Capita 5Cs contract for services and the least risk in terms of migration. A single service provider allows the council to share service provision risk through strong contract management. It allows the council to explore and return to the market after a nine-year absence to gain a competitive contract with a reduced technical requirement and contract length while ensuring value for money.

7.6. Additionally, Option 1 will:

- Ensure we understand the total ICT provision costs at point of tender which other options cannot provide;
- Allows the council to benefit from a supplier's economies of scale and existing provisions in the marketplace, e.g. an existing call centre;
- Provides access to industry best practise as standard and effective response to cyber incidents. Option 1 provides the most secure option for ICT provision;
- That we have control of our provider resources to suit our corporate plans as we will not have to compete with other partner LGA's priorities;
- Avoid the increased recruitment and training costs for additional council resources, including staff cover and oncosts, allowing the council to focus on customer initiatives and corporate project goals;
- Avoids user confusion and escalation through the provision of a single service desk;
- The expected changes in the service to Councillors and Staff are expected to be minimal as they will still be able to contact a single helpdesk and still be provided with the same device and systems support. However, the new service allows for improvements to the service such as extended support hours and better tracking and reporting of issues;
- Delivery by a single provider does not preclude the involvement of further cooperative outsourcing, e.g. Legal Iken hosting at Southampton City Council; and
- Simplifies the transition from the Capita 5Cs partnership and allows HBC to focus on other business priorities.

8. Option 1 – Seek to contract to a single, new ICT infrastructure and security supplier (prime contractor).

8.1. This option would effectively replace the existing ICT provision with a similar provision but based on a smaller remit and shorter contract length. The smaller remit will mean that the contract is accessible to a much wider pool of suppliers.

8.2. **Strengths:**

- Best experience for councillors and staff by providing a single helpdesk and point of contact, escalation, and notification of issue status.
- Likely to provide more flexibility in helpdesk and support hours including longer and weekend support compared to internal or

multiple third-party helpdesks, including sickness, holiday and availability of expert advice in technical fields when required.

- Provides direct customer/supplier relationship and ownership of contractual KPIs.
- Council shares risk with supplier via strong contract management.
- Supplier resourcing allows the council to focus internal resource on customer initiatives and project goals and not service gap management.
- No group/shared infrastructure as previously experienced.
- No competition for supplier resources.
- Most linear and fastest route to tender and secure offboarding timeline.
- Easier to map and complete a successful transition from the 5Cs.
- Delivery by a single provider does not preclude the involvement of further cooperative outsourcing, e.g. Legal Iken hosting at Southampton City Council, or another system to support our SaaS model when the opportunity arises.
- Allows for a smaller contract length to take advantage of the market every 3++ years as software offboarding/onboarding is less demanding due to move to SaaS products.
- Assuming local suppliers are available with the required skills this could provide an opportunity to directly contribute to the Council's economic regeneration plans by investing in local businesses.

8.3. **Weaknesses:**

- Possibility that HBC enter into a longer contract than is necessary to attract suppliers with the correct economies of scale, however mitigation via KPIs can allow for early exit if required and lessons learnt during the 5C contract will be applied through strong contract management and design. Tendered contract lengths can provide the option to exit early, for example 3+1+1+1 years or 4+1+1.

8.4. **Costs:**

- Costings are classified as exempt and are shown in Appendix A.

9. Option 2 – Seek to bring all ICT infrastructure and security in-house after exit from 5Cs

9.1. Option 2 would involve internal Council staff taking on ownership and delivery of the IT infrastructure and security functions, including user support and contact, with a small amount being outsourced to separate partners.

9.2. **Strengths:**

- Council is in control of all aspects of its ICT provision.
- Single contact point for staff and Councillors.
- No group/shared infrastructure as previously experienced.

9.3. **Weaknesses:**

- Council retains 100% of the risk of provision including for PSN-secure connectivity.
- Would need to provide a broad range of ICT expertise to support staff and infrastructure, including the PSN-secure environment; Networking; Security; Helpdesk contact and support ticketing; Telephony; LAN; WAN; O365 Administration; Firewall; AD policy; alongside current BAU activity and council projects.
- Current recruitment in the ICT sector is extremely challenging and is likely to remain so for some time. Staffing costs are expected to increase. There are risks of being unable to recruit for the required positions and or retention/turnover of staff in contact helpdesk roles and those less than x1 FTE.
- Would require significant additional investment in full-time resources, re-occurring recruitment, process development and training.
- Likely to require further significant investment if there was a requirement to provide support over longer hours or at weekends.
- Would require an internal helpdesk with new ticketing and job logging system, skilled to first level queries and fixes to operate office hours+.
- Resource vs requirement for an organisation size such as HBC (approx. 370 users) is heavily skewed.
- Likely reduced internal resource focus on customer initiatives and project goals due to operational issue investigations/fixes.
- Some industry specialised roles would still require additional partner expertise at cost.
- Would require separate infrastructure purchases and housing onsite at The Plaza and offsite datacentre investment.

- Increases complexity of migration and does not reduce proposed 5C exit timeline constraints.

9.4. **Costs:**

- Costings are classified as exempt and are shown in Appendix A.

10. Option 3 - Seek a partnership provision with another organisation

10.1. Option 3 consists of entering a partnership with another regional LGA to provide ICT services with shared ownership and governance. It should be noted that none of the options mentioned preclude partnering to provide front-line or other department services.

10.2. **Strengths:**

- Another local authority may be able to provide products, hosting and services that we require reducing procurement timelines (but not implementation), with HBC as the customer similar to the previous Hampshire County Council partnership model.
- Shared provision risk with another LGA.
- Likely to have existing infrastructure and therefore offer an economy of scale.

10.3. **Weaknesses:**

- HBC have been in partnership with other councils for infrastructure and security provision since 2010 in which time the complexity of delivering ICT has grown exponentially. This is particularly noticeable with respect to topics such as security, access and reliability. Competing requirements across partners can create support issues with resourcing and supplying shared ICT services.
- HBC have ended such partnerships with both HCC and EHDC and will seek to end 5C contract (originally 6 partners) at its exit in September 2025. Creating a new partnership may undo the separation work already undertaken and those proposed to be undertaken until 2025.
- Unless a single Partner council provided a broad range of ICT services to support staff, Councillors and infrastructure, including the PSN environment; Networking; Security; Helpdesk; Telephony; LAN; WAN; O365 Administration; AD policy it would result in a hybrid approach with multiple suppliers and potentially multiple service desks for councillors and staff, similar to Option 4.

- Can complicate shared security and data management requirements when provision of systems is separate to the provision of staff for those services, including ownership of issues and responsibility of fixes. Effectively, HBC would have to adopt the partner council's policies.
- Would require investment with the LGA partner in additional resources including recruitment, training and retention to expand existing support offering.
- Increases complexity of migration and does not reduce proposed 5C exit timeline constraints.
- If core infrastructure or specialist technology knowledge isn't provided by a partner council, HBC will have to provide it as per Option 2.

10.4. **Costs:**

- Costings are classified as exempt and are shown in Appendix A.

11. Option 4 – Seek to divide the ICT infrastructure and security provision between multiple smaller supplier/partners

11.1. This option would be based on a combination of some internal IT support but mainly outsourcing the different functions to a variety of suppliers. By using multiple suppliers, it would be possible to get the most suitable and skilled partner for each function.

11.2. **Strengths:**

- Specialist suppliers with specific knowledge could be brought in for each aspect of the ICT infrastructure provision for the Council.
- More opportunities to use smaller suppliers and temporary contractors who may be more responsive to Council requirements. For example, specialist to perform device packaging updates.
- Assuming local suppliers are available with the required skills this could provide an opportunity to directly contribute to the Council's economic regeneration plans by investing in local businesses.
- Shared risk of provision but within complex legal structure.

11.3. **Weaknesses:**

- Will result in multiple helpdesks for councillors and staff - difficult to use and creates confusion and often a poor user experience/dissatisfaction with wider service.

- Would require significantly more active contract management and supplier reviews – HBC internal resources will act as go-betweens for various elements of infrastructure to secure agreement and operational coordination.
- Reduced internal resource focus with possibility of a constant state of break/fix vs. attending to customer initiatives and project goals.
- Risk that it is unclear which party is responsible for fixing an issue at any one time even if a local or internal IT support function is provided.
- Where the delivery of an initiative spans multiple suppliers there is a possibility that a single supplier could delay an entire programme of work if they are not responsive.
- Joint security policy across multiple infrastructure providers would be very complicated to design, implement and maintain.
- Infrastructure and cyber incidents cannot be controlled and maintained effectively among multiple providers.
- Multiple contracts for various lengths requiring more frequent and more numerous tendering exercises.
- Harder to estimate and control overall costs at point of tender – unless all aspects tendered at once and costs compared as total outlay, there is no comparison with current ICT cost from single supplier making value for money hard to prove.
- Does not reduce proposed 5C exit timeline constraints and increases complexity of delivery.

11.4. **Costs:**

- Costings are classified as exempt and are shown in Appendix A.

12. Resource Implications

12.1. Financial Implications

i. High level financial costs have been provided for all the options. These are estimates and subject to change as more details become available and due to market conditions.

ii. The costs for the ICT security and infrastructure provision are likely to be less or in line with the existing provision as the councils' scope will have reduced. The licence costs for running systems as SaaS rather than in a data centre will increase as the vendor provides a lot of additional support. A existing Capital reserve is in place to support this work.

Section 151 Officer comments
Date: 11 November 2022
The emerging costs for alternative ICT provision will be kept under regular review compared with the base budget provision available. Any requirement for additional on-going resources will require a formal amendment to the approved budget and adjustment to the four-year Medium Term Financial Strategy.

12.2. Human Resources Implications

i. The adoption of Option 1 means that the Council do not need embark on a massive recruitment drive to fill gaps in the existing team. However, the internal team will still be required and may need to be enhanced slightly in order to manage the contract and develop and support Council projects and third-party systems integration to maintain BAU council operations.

ii. The aspiration of the new working arrangements is the existing internal staff will be able to reduce their current workload picking up ICT support services and contract gaps allowing them to focus on providing more value to staff and customers through individual council service development. An advantage of Option 1 is that the Council are not responsible for the recruitment and training of technical staff to provide support services.

12.3. Information Governance Implications

i. There are existing Information Governance implications for the HBC services in terms of being able to make better use of the shared technical infrastructure to implement governance configuration, for example setting retention periods on documents and monitoring file usage.

ii. Simplifying the provision of the ICT infrastructure will allow the HBC Information Governance Manager and Data Protection Officer to implement wider controls far more efficiently without the need to agree with other Council partners first. Option 1 supports this requirement and will provide control to users and management of a single tenancy and infrastructure governance.

12.4. Other resource implications

i. Option 1 is likely to include some additional resources but not on the scale of Option 2. Continuation of existing Technical Architect provision within the Digital Service to support procurement and design will be required. Offboarding to SaaS products as a dependency of Option 1 before the end of the 5Cs contract may involve further project resources.

13. Legal Implications

13.1. There are Legal implications in terms of contracting with a new supplier and agreeing the terms and conditions. The contract will cover less material than the existing 5Cs contract and some lessons will have been learnt in terms of the contract length and other considerations, including known service gaps. The contract should also be simplified by virtue of being a single customer to single supplier arrangement.

Monitoring Officer comments
Date: 10 November 2022

The Council has the necessary powers to decide on the preferred option for the acquisition and provision of digital services as per s.111 Local Government Act 1972 (the power to do anything calculated to facilitate the delivery of primary functions)

The Digital Strategy will support the delivery and is consistent with the aims and objectives of the Council's Corporate Strategy.

14. Risks

14.1. The key risks identified for Option 1 are:

Key Risk Title	Description	Mitigation
Delays in migration to SaaS	There is a risk that the migration of legacy systems to Software as a Service platforms (a dependency project to the exit of the 5C contract) takes longer than expected. This could either delay the implementation of the project, result in an extended dependency on Capita and existing third-party support or require a tactical migration of services to another third-party data centre.	Start the migration as early as possible and reduce the time taken in procurement by using frameworks and reusing requirements across projects.
Additional complexity	There is a risk that additional complexity is found during the implementation period resulting in delays or additional costs or	Approach potential suppliers early in the procurement via soft-market-testing to ensure that the specification is

	changes to contracts or support arrangements	complete. Set aside a 20% financial contingency.
Capita Resources	There is a risk that Capita do not have the resources available to support the exit although we have worked with Capita to determine the exit dates and period therefore, the support expected. However, issues could arise due to internal Capita resourcing or work they are doing to support other Councils exiting the 5Cs contract prior to HBC's planned migration.	Arrange for Capita resources to be reserved as early as possible by publishing clear timelines and expectations. Strong programme management and cooperation in Capita and the 5Cs to ensure that visible resource issues have stringent mitigations in place.
Contract length	Suppliers may be unwilling to commit to a shorter length contract e.g. three years.	Having a smaller overall contract will make this less of an issue. Also consider longer contract lengths with the option to exit early, for example 3+1+1+1 years or 4+1+1.
Internal resources	Competing priorities for internal service resources may cause delay in transition.	Ensure programme management and technical resources that include engagement with all affected services to gain corporate buy in at all levels.

15. Climate & Environment Implications

15.1. All the options are based on moving of legacy systems from data centre hosting to cloud-based Software as a Service solutions. Cloud based solutions are generally more environmentally friendly that standard data centres because systems will dynamically scale up and down to support the load. This means that in low load periods, for example at night the systems will be using very little power unlike in a data centre where the servers will be running at full capacity at all times.

15.2. Furthermore, cloud-based systems will be shared across multiple services and organisations so there is a lot less redundancy of equipment, for example memory and CPUs can be assigned to services dynamically when required. This reduces the overall footprint of equipment needed to support services.

15.3. The specification will include criteria to support the Council's environmental goals and supplier responses will be scored to reflect their commitment to this.

16. Consultation

16.1. Consultations have taken place between Havant Borough Council and;

- The other Councils in the 5Cs Partnership;
- Capita the 5Cs supplier;
- Independent technical advisors;
- A third-party supplier who provided a quote to set up a data platform;
- A third-party supplier who provided a quote to migrate to a new Office 365 tenancy; and
- Management Team.

17. Communication

17.1. Any decision by Council will be communicated to all councillors in the usual way. In addition, an all members briefing will be held.

17.2. Briefings to the Management Team and relevant staff have already taken place.

17.3. The Executive Head of Commercial, in consultation with the Cabinet Lead S151 Officer and Monitoring Officer, will arrange for a quarterly report to be presented to Cabinet by way of progress report on the development and procurement of the future provision of ICT infrastructure and security.

17.4. This decision will not affect the day-to-day delivery of services to Havant Borough residents.

18. EXEMPT Appendices

18.1. Appendix A– Estimated Costings (EXEMPT)

18.2. Appendix B – Digital Strategy Design Principles (NON-EXEMPT)

18.3. Appendix C – HBC current ICT set up and share of Capita vs. Council responsibility (EXEMPT)

18.4. Appendix D – HBC's projected ICT operating environment when a new supplier(s) have enacted delivery in 2025. (EXEMPT)

19. Background papers

19.1. None

20. Glossary of key terms

20.1. The key terms used in this report are defined below;

Term	Definition
BCP	Business Continuity Planning
BAU	Business as usual
ICT	Information and Communications Technology
LGA	Local Government Authority
Microsoft 365 tenancy	The set of Microsoft tools, including Microsoft Office, available to the Council in a secure environment. HBC's tenancy is currently shared with other 5Cs members. Best practice is for each organisation to have their own tenancy.
Microsoft Office 365	Microsoft Word, Excel, PowerPoint, Outlook, Teams, OneDrive and SharePoint applications
PSN-secure environment	Public Services Network used to provide secure communications for services such as Elections and Revs & Bens data.
SaaS	Software as a Service. An application or system hosted by the vendor where the vendor is responsible for and the Council does not have access to the underlying infrastructure. The supplier is also responsible for upgrades, patches, security and reliability. Examples are Microsoft Teams and Gmail.

Agreed and signed off by:

Portfolio Holder: Cllr Tim Pike - 12 January 2023
Executive Head: Chris Bradley - 12 January 2023
Monitoring Officer: Mark Watkins - 12 January 2023
Section 151 Officer: Malcolm Coe - 12 January 2023

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Appendix B – Digital Strategy Design Principles

The following Digital Design Principles were adopted under the council's Digital Strategy 2020-2024.

Following the transition to a stand-alone council, the Digital Strategy will be reviewed, though the principles remain.

3. Our Digital Vision — The Digital Transformation Design Principles

These 18 guiding principles will help the council achieve Digital transformation by 2024. The council will also remain flexible to the changing and fast-paced technological and customer service landscape.

Digital Design:

a) **Digital by Default** — If a process or service can be digitised, it should be. Each change should aim for the highest proportion of people to move from traditional to digital channels. Bearing in mind our resident demographics, we should be careful that Digital by Default does not create exclusion.

b) **Redesign via Customer Insight** — Using evidence of our customers' needs, service use and customer journeys, we will establish the current gaps in service provision and opportunities for improvement. Services and communications must be targeted to provide customers with the right content at the right time. We will identify easy ways for our customers to access services, while trying to reduce the cost of delivery.

For our Customers:

c) **Efficient and Simple Design** — Good digital design will provide tangible improvements to the customer's experience and the efficient operation of the councils' services.

d) **Enabling Customer Digital Access** — Services will be designed around delivering what the customer needs when they need it. Shifting services away from office hours, face-to-face contact and telephone-based services toward automation will allow customers to use our services 24/7.

e) **Building Digital Trust** — Customers will access secure systems to complete online transactions in a simple, user-friendly and privacy-friendly way. Where appropriate, we will collaborate and consult with our customers to ensure our offer is 'just right'.

f) **Data as an Asset** — Data will be analysed to inform decisions and build customer profiles. Data will be anonymised and shared with the community so it can be used in innovative ways. Data will be held securely and used in line with Data Protection legislation and GDPR and our data retention schedules.

Via Systems & Infrastructure:

g) **Digital Security** —Security will be paramount across our digital plans. We will work with our IT service providers, public sector partners and specialist agencies, such as the National Cyber Security Centre, to ensure arrangements are sound and proportionate to the level of threat.

h) **The Council in the Cloud** — We will move to cloud-based technologies, which will lower costs and improve system access and reliability.

i) **Open, and Flexible Systems** — When it comes to investment, systems will use open technical standards, be inter-operable and scalable. These will be steadfast procurement criteria for all new solutions.

j) **Digital Investment** — Our application of Digital must be pragmatic, with decisions based on businesses cases and clear benefits to the customer and the councils. Digital change requires investment. The cost benefit analysis must reflect the fact that investment can save the council money.

k) **Follow our Commitment to the Local Digital Declaration** — We will play our part in 'fixing the national plumbing' across the public sector, using the 'Technology Code of Practice[1]' when we implement our systems.

Across the Organisation:

l) **A Digital Mindset** — Culturally, our organisations must embrace Digital as the standard way of working. Staff should think digital-first and have the confidence to self-serve and self-fix. Excellent workspace design and IT tools can remove the reliance on traditional office desk arrangements.

m) **Funding Opportunities** — The councils will pursue national funding opportunities.

n) **Digital Workstyles** — Officers and councillors must have the equipment they require to work in a flexible manner and, as part of a 'paper-lite' environment, be less dependent on a fixed workspace. Digital will ensure that modern ways of working can be utilised to full effect to support individuals and teams.

[1] https://www.gov.uk/government/publications/technology-code-of-practice/technology-code-of-practice

In Partnership:

o) **Innovation and Collaboration** — The councils will continue to be ambitious and innovative with new technology. We will continue to be early adopters, reaching out to peers and networks to harness technologies and ideas, and to sharing the benefits with partners.

p) **Impact on Place** — Opportunities will be pursued through the Regeneration Strategy of Havant Borough where we will harness existing and emerging technologies alongside our development and sector partners to enable our residents, visitors and our local businesses to work and live well in the Digital Age.

q) **Partnership** – We will work with all our third-party providers and partners to deliver the shared infrastructure needed to create economies of scale and accommodate growth.

r) **Digital Responsibility** — In the ‘Digital Age’ we must play our part in combatting the Climate Emergency that our energy-driven technologies and public services contribute towards. We will choose technology partners who share this sense of responsibility.

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