

Part I



Meeting	Joint Information Communication Technology Committee
Portfolio Area	Information Communication Technology
Date	2 October 2023

REVIEW OF SHARED ICT SERVICE RESOURCING (SOCITIM REPORT)

KEY DECISION

Author	Matt Canterford - Assistant Director and Chief Technology Officer
Lead Officers	Matt Canterford - Assistant Director and Chief Technology Officer
Sponsors	Clare Fletcher - Strategic Director and Chief Financial Officer (SBC) Helen Standen – Deputy Chief Executive (EHDC)

1 PURPOSE

- 1.1 This report sets out the background to the review of the Shared ICT service by SOCITIM.
- 1.2 This report sets out the recommended structure and costs SOCITIM Advisory Option Two - Enhanced Service for the future of shared ICT services.

2 RECOMMENDATIONS

- 2.1 Members are recommended to implement Socitm Advisory Option Two - Enhanced Service as phased over the next two years.
- 2.2 Members are asked to note that implementation of Option Two Enhanced Service is scheduled to begin in the financial year of 2024/2025. With complete implementation of Option Two by April 1, 2026.
- 2.3 Members are asked to note to ensure both Councils see a return on investment, the Joint ICT Committee will review each implementation phase to ensure that it adds value and that the next phase is still relevant.

- 2.4 That the ICT joint Committee recommend to each respective Council the investment in the ICT service on the proviso that this is an investment to save and that each Council will realise significant savings from the Shared Service after a two-year implementation period as set out in paragraph 4.16.
- 2.5 That the ICT Committee oversee the programme of cost reductions as set out in Paragraph 4.16.

3 BACKGROUND

- 3.1 East Herts District Council and Stevenage Borough Council both require the ICT service to help with their respective Transformation programmes to allow streamlining of their operations, increase productivity, enhance engagement with customers and suppliers and reduce costs. However, the existing staffing structure has been unable to manage support to the works set out above and has struggled to deliver the day-to-day operations.
- 3.2 The speed of technological advancements is significant, and ICT changes will be cyclical and depend on levels of supplier support and obsolescence. However, it is important to ensure there is timely investment in IT (Information Technology) assets, with the proper roadmap for both Council's significant business systems, as they are a crucial factor in enabling organisations to succeed.
- 3.3 In an increasingly complex world, the ability to adapt to changing needs is essential for success. Technology plays a vital role in this, as it helps to streamline operations, improve efficiency, and better serve customers. From unified communications to customer relationship management systems, technology is now an integral part of both Councils.
- 3.4 East Herts District Council and Stevenage Borough Council have commissioned three reports on how to improve and modernise Shared IT Services. The reports were.
- Review of Shared IT Services – June 2019 by 31 Ten
 - SBC Technology Assessment – July 2021 by SBC officers
 - Review of Shared IT Services – Feb 2022 by Socitm Advisory
- 3.5 In summary, the three reports provided a comprehensive overview of the current status of the shared IT and offered valuable insights on how to further enhance the partnership. The reports highlight specific areas where improvements can be made, such as in governance, communication, and alignment with the digital strategies of both councils. Additionally, they suggest that the partnership explore opportunities for convergence and cost-effectiveness.
- 3.6 Following the final report, Review of Shared IT Services (February 2022), East Herts District Council and Stevenage Borough Council commissioned SOCITIM Advisory to design the Future Operating Model for the Joint IT Service with the capacity and capabilities to deliver the following:
- Joint IT Strategy

- Council Plans
- Day-to-day operations and ongoing system maintenance and development
- Support in refreshing their core IT services to support current and future development, as well as transformation projects.
- understanding of the areas of service that are working effectively, where they need to be augmented, and development opportunities.

4 REASONS FOR RECOMMENDED COURSE OF ACTION

- 4.1 The SOCITIM Advisory Future Operating Model report outlined three potential options for the new Joint ICT operational model, together with the relative merits/outputs of each option.

SOCITIM Staffing Options for Consideration					
	Headcount	Total Cost	Average Cost Per Head	Cost Increase over Current Team	Heads Increase over Current Team
Current Team	31	£1,712,745	£55,250		
Option 1 - Core Roles	37	£2,131,705	£53,293	£418,960	6
Option 2 - Enhanced Service	44	£2,342,540	£53,240	£629,795	13
Option 3- Optimal Model	50	£2,635,438	£52,709	£922,693	19

The Outputs from Each Staffing Option				
	Current Team	Option 1 - Core Roles	Option 2 - Enhanced Service	Option 3- Optimal Model
Business As Usual Capacity	Limited	✓	✓	✓
Supporting Transformation Capacity.	x	Limited	✓	✓
Business Relationships and Horizon Scanning Capacity.	x	✓	✓	✓
Enterprise Architecture and Supplier Management Capacity.	x	x	✓	✓
Training and Adoption Capacity	x	x	x	✓
Business Intelligence and Data Analysis Capacity	x	x	x	✓

- 4.2 Officers recognise the challenging financial position for both Councils requiring annual savings just like Local Authorities throughout the Country. A proviso for the investment in the shared service is that increasing capacity in the service will also release savings anticipated after a two-year implementation period; further information regarding the potential areas for those savings is set out in the report in paragraph 4.16.

- 4.3 **Option One Core Roles-** this option focuses on reinforcing and supporting the operational integrity of the partnership while maintaining business-as-usual work. It also aims to create a business partner position that can improve business relationships and enable horizon scanning for each Council.
- 4.4 This option would improve regular support for businesses and increase the capacity to handle transformation requests. However, it is essential to note that some skills, such as enterprise architecture, supplier management, and general administrative support, are not included as a specific activity. Enterprise architecture is a strategic and holistic approach that involves an organisation's IT systems, processes, and data. Its primary aim is to align the IT systems and technical infrastructure with the organisation's business goals, such that all opportunities for rationalisation and efficiencies are identified and exploited. As a result, the effectiveness of the service in executing the IT Partnership strategy and supporting both councils' future aspirations would be limited under this option.
- 4.5 Therefore, Option One is not recommended for approval as it only enhances the ability to carry out business-as-usual operations but does not meet the capacity required for the transformation needs of both Councils. Therefore, it would have minimal impact.
- 4.6 **Option Two Enhanced Service** builds upon the roles of enterprise architecture, supplier management, and business partners outlined in Option One. It also includes administrative support to alleviate the managers' workload from administrative tasks so technical ICT staff can focus on higher-value tasks.
- 4.7 This option will improve the business-as-usual service and crucially increase the capacity to handle transformation and project requests, as outlined in the Option One Core Roles. Additionally, it will implement effective enterprise architecture and supplier management to ensure that system development aligns with reducing technical debt and that both existing and new suppliers deliver value for money.
- 4.8 Option Two is the recommended choice as it allows the two Councils to smoothly carry out their regular business operations and provides sufficient capacity for any transformational needs.
- 4.9 **Option Three Optimal Model** – this option builds on options one and two. It adds data and design roles to develop the partnership capacity to co-design and prioritise sensible business solutions with the transformation teams and support data-led decision-making across both Councils, as well as Programme Management capacity, policy and strategy governance capacity, and training and adoption capacity.
- 4.10 This option offers a strong foundation for providing ongoing support and facilitating transformation across both Councils. The option will provide the benefits outlined in Options One and Two while also including support for project and program delivery, training and adoption, and business intelligence and data engineering. This will allow for the development of the areas outlined in the Joint Partnership strategy, as well as business analyst support to add value to ICT processes during the implementation of the

strategy. This option would deliver the IT Partnership strategy, the lowest risk of system downtime, reducing technical debt, and an increase in supplier value.

- 4.11 However, the SOCITIM Advisory Future Operating Model report identifies that Option Three Optimal Model requires significant additional investment, but crucially at the current time. It would not be possible to make use of the extra capacity or analyse its benefits as it would require significant time to make such a big change to optimise the additional data capabilities.
- 4.12 Business intelligence refers to the use of data to manage day-to-day operations and achieve organisational goals. Data analytics can help organisations that want to transform how they do business. Data analysis is the process of cleaning, analysing, and visualising data with the goal of discovering valuable insights and driving smarter business decisions. It is worth noting that both councils have other departments that currently handle business intelligence.
- 4.13 Officers consider that Option Two is a much more agile approach that will result in the outcomes both Councils currently need. However, the structure of the service will need to be regularly reviewed to ensure the service meets the changing requirements of both partner Councils.
- 4.14 It is recommended the implementation of Option Two will be implemented over two financial years. This is to allow for the ICT job descriptions to be evaluated and then appointed to, which is likely to take approximately six months. This means that only 50% of the budget will be required in the first year 2024/25. This means that implementation will be complete by 1st April 2026.

The Cost of the Recommended Option (Two) to each Partner Council above the Current Structure					
				Stevenage Borough Council	
		East Herts District Council	Stevenage Borough Council	General Fund	Housing Revenue Account
	Total Cost				
Year One (2024/2025)	£314,897	£152,325	£162,573	£104,047	£58,526
Year Two (2025/ 2026) and Ongoing Years	£629,795	£304,649	£325,146	£208,093	£117,052

- 4.15 To summarise, some of the high-level benefits of investing in Option Two would be the ability to build IT platforms around mobility, cloud, big data, artificial intelligence, and social networking. This would impact both Councils in the following ways:
- **Improving efficiency and productivity:** By adopting these technologies, both councils would be able to streamline their processes and improve their efficiency. This would save them time and money and allow them to focus on their core business activities.

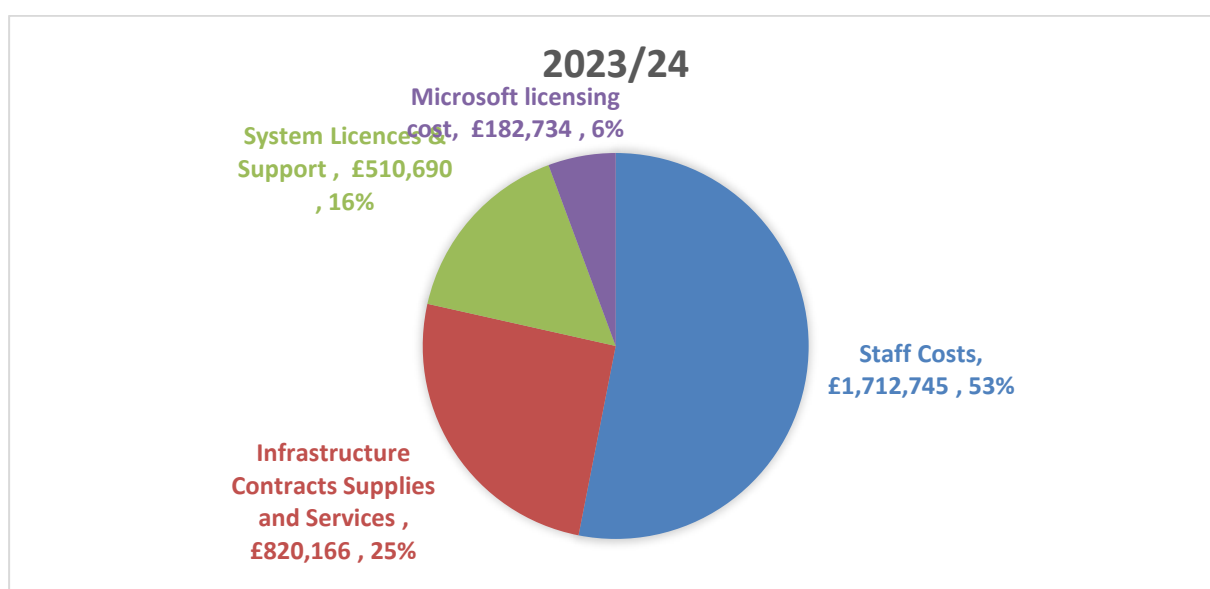
- **Enhancing collaboration and communication:** These technologies would facilitate internal collaboration and communication, as well as enhance hybrid work support.
- **Improving decision-making:** By using big data and artificial intelligence, both councils would be able to make better decisions. They would be able to access and analyse more data and use this data to identify trends and patterns.
- **Innovating and transforming services:** These technologies would also enable both councils to innovate and transform their services. They would be able to develop new ways of delivering services and improve the quality of those services.
- **Enhanced security:** To protect sensitive data from cyberattacks. It will also help both councils to comply with regulations and keep up with advancing technology.
- **Improving customer service:** Both councils would be able to provide better customer service by providing customers with access to information and support 24/7. They would be able to interact with customers in real time and provide them with a more personalised experience.

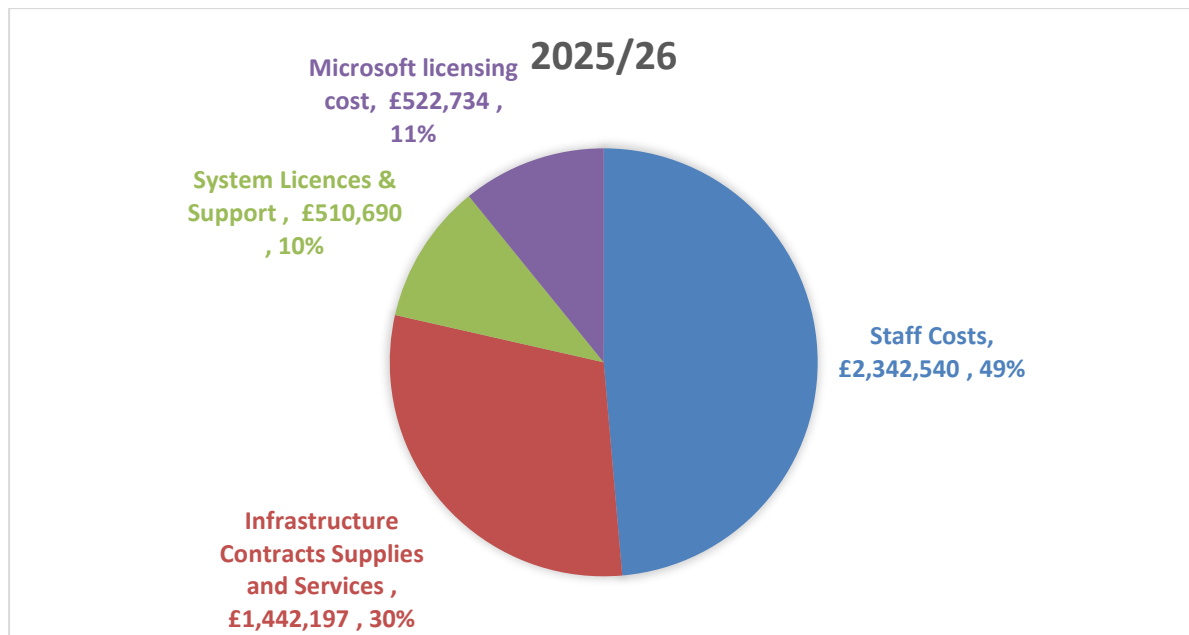
4.16 Opportunities to Reduce Future Costs -With the additional capacity that Option Two would bring, both Councils would be able to finish the backlog of projects and upgrade out-of-date technologies while also maintaining the ability to stay updated with current technology. This would enable them to become more proactive and less reactive in their IT services. Once they achieve this state, they can assess the new capacity required to maintain it, which should lead to potential cost savings. The opportunities are:

- With the new business relationships, enterprise architecture, and supplier management capacity. This means that the planning and roadmap of IT systems, applications, and technologies can be created and maintained effectively while identifying and exploiting all opportunities for rationalisation and efficiencies, ultimately leading to cost savings.
- Review and implement a more efficient service desk that can support the hybrid workforce and reduce costs.
- Review the process of purchasing, supporting, and utilising IT applications, systems, and infrastructure. To determine how to maximise the benefits of the latest technology, including the cloud, ensure that it is affordable, and bring efficiencies that lead to cost savings. Currently, the current number of resources and structure makes this impossible.
- Rationalising applications and ensuring that they are being fully exploited.
- Ensuring Value for Money with future technologies (e.g., wi-fi and telephony) to minimise licence costs through the potential removal of zero boxes (saving £48K per year) and use of hardwire telephony.

- To avoid unnecessary costs, proactively map the on-premises infrastructure to the cloud roadmap to ensure the Council does not incur additional costs for maintaining on-premises infrastructure and additional cloud support costs.
- Review regularly the skill sets required to reduce the reliance on outside companies requiring additional cost pressures.
- Allow capacity for the active and timely review of replacement technology to ensure that the right outcomes and value for money are achieved.

4.17 It is anticipated that financial savings will begin to be realised after year two of full-year implementation, and progress will be regularly reported to the ICT Committee. A summary of the proposed ICT budget by spend type is summarised in the chart below.





5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 This report is financial in nature, and consequently, financial implications are included above. The impact of these changes for future years will be incorporated into the budget setting process but requires both Councils to approve the increased spend for 2024/25 and 2025/26

5.2 Legal Implications

- 5.2.1 Staff will be consulted in terms of the new structure and will follow the Stevenage Borough Council consultation HR processes.

5.3 Equalities and Diversity Implications

- 5.3.1 None of the recommended changes in the report are anticipated to require Equality and Diversity templates to be required.

5.4 Risk Implications

- 5.4.1 There is as a significant risk if the revised staffing structure is not implemented that neither Council will be able to keep pace with the need to upgrade and plan for future technologies and, crucially, be unable to meet each Council's Transformation ambitions and reduce costs.
- 5.4.2 The current capacity within the ICT service means that it tends to be reactive rather than proactive, which can lead to delays in project delivery and contract renewal. There are currently 90 requested projects outstanding, which the team has no capacity to deliver, ranging from Upgrading data centres and audio and video equipment for both Councils to implementing paperless direct debits, Online Allotment systems, and upgrading Trade Waste systems.

5.5 Policy Implications

- 5.5.1 This increase in spend will form part of each Council's Budget and Policy framework and be reported as part of the 2024/25 budget setting process to each Council's February 2024 Full Council.

5.6 Climate Change Implications

- 5.6.1 The IT service is a facilitating service, and investing in the staffing structure will allow the ICT service to support each Council's ambitions, including Climate Change.

6. APPENDICES

Appendix 1 – Future ICT Operating Model for EHDC/SBC - Summary Socitm report.

7. BACKGROUND DOCUMENTS

- 7.1 Review of Shared IT Services – June 2019 by 31 Ten
- 7.2 SBC Technology Assessment – July 2021 by SBC officers
- 7.3 Review of Shared IT Services – Feb 2022 by Socitm Advisory

THIS PAGE IS BLANK



Future Operating Model

**East Herts District Council
and Stevenage Borough
Council**

August 2023

V 3.1



Your ask of us

1

As a follow on from the report of February 2022, which identified a number of developments Socitm Advisory were commissioned to design the **Future Operating Model for the Joint IT Service (IT-FOM)** with the capacity and capabilities to deliver the :-

- Joint IT Strategy
- Council Plans
- Day job and ongoing system maintenance and development

2

Support East Herts and Stevenage in refreshing their core IT Services to support now and future development as well as transformation projects

3

Understand the areas of service that are working effectively, where they need to be augmented and development opportunities



© Copyright 2023 Socitm Advisory Limited



Our findings

- We identified a number of challenges to both business-as-usual (BAU) work and transformation work across the IT Partnership. In particular, we noted that:
 - The structure of the partnership is focused on BAU work but has little resilience due to the dependency on single roles for system expertise and issue resolution.
 - The organisational structure as it currently stands also provides little capacity to support the transformation agendas of both Councils and the transformation programme of the partnership itself.
 - The service is managing to perform well in some areas, with outages and issues in other areas, due to a lack of capacity to implement strong governance and increased pressure to provide front line support.
 - IT Partnership colleagues described a lack of communication between teams, a feeling of low support and development opportunities, and colleagues across both Councils noted a reliance on goodwill, existing relationships, or ad hoc responses to resolve issues.
 - There are a number of value adding areas with no dedicated resource, such as data analysis, business analysis, system procurement and contract management, and business partnering.
 - There are missing resources in the above areas, but also low resource to support BAU work.



© Copyright 2023 Socitm Advisory Limited

Our findings

Current State

- . Sub optimal model, with a lack of strategic delivery or joined up holistic approach across both Councils
- . Reactive culture rather than strategically planned solutions & delivery model
- . Not making use of data or technology available to reduce cost or improve service – building tech debt

Why Now

- . Covid-19 has introduced new ways of working which need maintaining and exploiting
- . Acknowledgement of need to invest and change to reduce cost and delivery value
- . No capacity to deliver Joint ICT Strategy and sub optimal delivery since 2019

Opportunity

- . Further develop IT skills in the field of digital, data and technology
- . Maximise resource, recruit/augment new skills, and smart source
- . Take a phased approach, build foundations then optimise for digitalisation

Risk of doing nothing

- . Continued fragmented, inconsistent approach to the provision and delivery of services and ever-increasing gap to user expectations.
- . Ever increasing demand and pressure on Front line support

Next Steps

- . Confirm Future Operating Model preferred option(s) for further refinement as required and decision-making approach and timescales
- . Agree the phased approach of transitioning to FOM
- . Work to quantify benefits, develop business case, high-level plan for transition to FOM, including resource plan, identify skills and resource gaps, support transition and embedding



© Copyright 2023 Socitm Advisory Limited



Future Opportunities

Joining up services

- Future opportunities include the introduction of shared support for specific applications . This would allow for the Joint IT Partnership to provide additional value to both Councils. Longer term areas of opportunity could include, but are not limited to:
 - Revenues and Benefits
 - HR (ERP systems)
 - Web app and web form development services
 - M365 tenancy management and development
- To do this effectively, the service will have to work to provide a stable platform to support application expansion and ensure that there are robust business cases for the Partnership to support this with each application/service – particularly focused on the resource requirements to join up those services both to implement the changes and to maintain them going forward.



© Copyright 2023 Socitm Advisory Limited



Recommendations

Socitm Advisory have been asked to make recommendations on the Options. The considerations below are on the basis of the best fit to achieve the strategic aims of the partnership and to incorporate the outcomes from the report presented in February 2022.

However we must also take cognisance of discussions with Directors in relation to the financial considerations and the affordability of the operating models. On that basis we would advise that as Option 3 requires significant additional investment it would require a business case to be developed to test these impacts and to assess the appetite and commitment from both partners to progress .

The partnership may wish to consider a more phased approach, implementing Option 1 with a plan to mature the further capability of the team and service over a longer term period.

The options presented in this Future Operating Model have been designed to give the IT Joint Partnership flexibility to achieve it's strategic goes.

- **Option 1** is the **minimum** option we recommend the Council take to ensure the Partnership has increased resiliency and capacity to maintain BAU systems. It is also the minimum change needed to ensure that the Partnership structure is aligned to Stevenage Borough Council's Target Operating Modelling.
- In order to achieve the IT Joint Partnership's goals beyond maintaining business as usual systems, **we would recommend Option 3** which adds resource to allow for the Option 1 support but also to enable the delivery of the ambitions outlined in the Joint IT Partnership Strategy and provide planning capacity to enable future long term savings.
- Cognisant of the budgetary constraints facing the partnership, we have identified a more limited option consisting of parts of Option 3 (Option 2 – Enhanced Service) which would allow for the Partnership to focus on developing capacity in stages.



© Copyright 2023 Socitm Advisory Limited

Options

Option	Name	Option aim	Disbenefits of only taking this option
Current State/No change	Do Nothing	Maintain the current state – existing risks and issues remain.	Identified issues with service delivery, capacity and skills gaps, and enabling transformation remain unchanged with the risk of technical debt increasing.
1	1. Core Roles	To better support business-as-usual work, provide transformation delivery capacity, and reduce the risk of outages and single points of dependency;	Foundational risks remain around developing skills and exploiting new opportunities as focus remains on BAU. The risk of technical debt increasing remains high. Capacity to enable transformation is limited.
2	2. Enhanced Service	Focuses on the business partner role above, but also adds assurance, an enterprise architecture role, and a supplier management role. It also adds administrative support to the service to allow for less administrative work being completed by managers.	Ability to design and deliver an improved IT estate to meet agreed standards and policies is limited. Which decreases ability to get the full benefits and efficiencies of technology change and increases the timescales to get return on IT investment.
3	3. Optimal Model	Builds on the previous options to add support for policy and strategy, training and adoption, data analysis, business intelligence, PMO management and IT Business Analysis.	None

Invest to Save

Investing in options 2 and 3 will improve core capabilities for design and implementation of IT solutions and associated infrastructure. With option 3 providing the most support for transformation in the partner councils and utilisation of technology to meet the needs of customers and staff alongside more efficient processes to deliver and embed long-term savings.





© Copyright 2023 Socitm Advisory Limited

Options and Cost Impacts

Option	Current Service Costs including NI and Pensions	Additional Costs including NI and Pensions	Additional cost per Council (50%) including NI and Pensions	Total Cost (additional role cost) £s – including NI and Pensions	Total Staff cost per Council (50%) including NI and Pensions	Impact
Current State/No change	£ 1,712,745	£ -	£ -	£ 1,712,745	£ 850,413	Risks and current issues remain.
1. Core Roles	£ 1,712,745	£ 418,960	£ 209,480	£ 2,131,705	£ 1,065,853	Additional BAU support and some delivery capacity, rationalise structure to match span of control.
2. Enhanced Service	£ 1,712,745	£ 629,795	£ 314,898	£ 2,342,540	£ 1,171,270	As in Option 1 with delivery assurance and IT architecture development
3. Optimal Model	£ 1,712,745	£ 922,693	£ 461,347	£ 2,635,438	£ 1,317,719	As in Option 1 with Option 2 roles included as well as Policy and Strategy, PMO, Data and BI roles included.



© Copyright 2023 Socitm Advisory Limited



Key findings, challenges, Risks and Opportunities





Key findings, challenges, Risks and Opportunities

Summary

- Following interviews with colleagues across both Councils, as well as desktop research, skills assessments, and validating the content of previous reviews we identified a number of challenges, risks and opportunities.
- Interviews with staff identified strong support networks within teams, but a feeling that communication between teams and support from senior managers outside of the IT Partnership is lacking. Staff identified high levels of demand and a high number of single points of dependency.
- From a high level skills assessment, we noted that staff do have the skills to do their current roles. There is, however, a high number of specialist systems needing support which increase the complexity and number of specialist skillsets needed across the partnership. This makes retention and recruitment more difficult.
- We identified key challenges around retention, capacity and planning, senior buy-in, and digital knowledge across the businesses as well as risks associated with doing nothing. Opportunities we identified we focused on developing business relationships, technical governance, and adding capacity to the service.



© Copyright 2023 Socitm Advisory Limited



Key findings, challenges, Risks and Opportunities

Skills

- The previous Socitm report **did not find** major skills gaps within the Joint IT Partnership. The report noted three skills issues:
 1. That “for most roles in the team there are single points of failure where single individuals are the only person that has a specific skill set, so there are issues when a person retires or is on long term sick.”
 2. That “the ICT partnership has failed to deliver improved quality and breadth of skills. This because vacancies have not been filled, even when vacancies are filled the service is still under invested”
 3. That “there is also a clear need for change, service design, programme management and business analysis skills to support transformational redesign, and although some of these skills exist within teams outside of ICT, they are not funded by the ICT partnership and therefore not working to support both Councils equally.”
- This assessment was tested through the skills interviews and wider interviews with the partnership and the **evidence provided did not challenge the conclusions of the previous report** or suggest a change to the fundamental capacity issue, of which the issues above are symptomatic. The options provided in the FOM aim to address the issues identified above.



© Copyright 2023 Socitm Advisory Limited



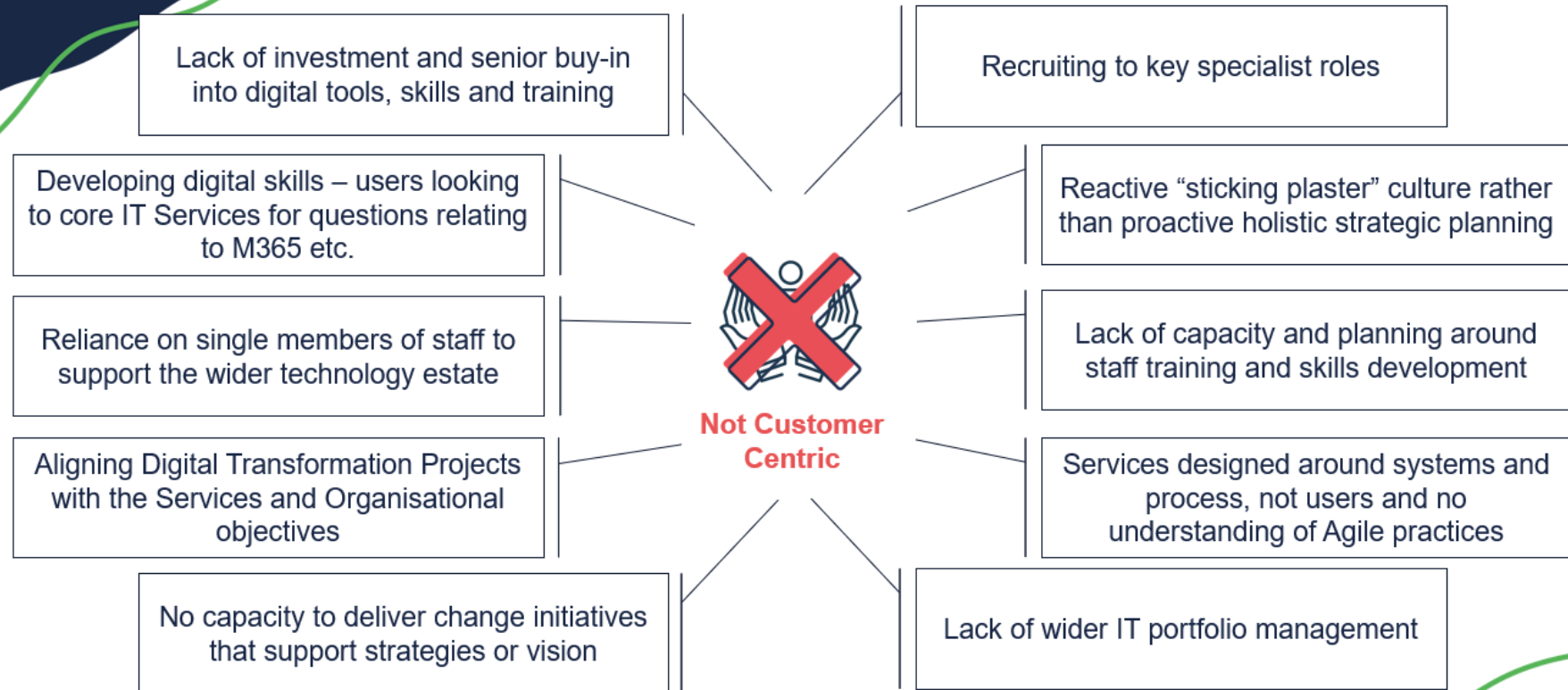
Wider IT Functions

- Wider IT functions that sit outside of the Joint IT Partnership are primarily due to the different compositions and focuses of the partnership Councils, with Stevenage Borough Council having a comparatively large housing stock to maintain compared to East Herts (which covers a more rural area).
- The Joint IT Partnership currently has dedicated single dependency support (one applications officer per system) for East Herts' Revenue and Benefits Service (which is shared with Stevenage but is an East Herts system), and for Stevenage's Housing systems (housing records, assets, repairs etc.).
- An additional member of the applications team supports GIS and LLPG which is a shared service funded by East Herts. East Herts have a dedicated post for LLPG maintenance as the demand for their planning services are far greater than that for Stevenage's services.



© Copyright 2023 Socitm Advisory Limited

Key Challenges



© Copyright 2023 Socitm Advisory Limited

Key Risks

Risks/Issues	Impact
Lack of clear Digital Programme plan to deliver on the objectives of the Joint IT Strategy matched to change resources available.	Lack of Digital or ICT roadmap creating unclear prioritization and the risk of non-value-adding projects being prioritized.
Lack of business knowledge and relationships across IT and IT awareness across the business.	Ad hoc requests and prioritization driven by business demands, development of siloed IT capabilities, lack of holistic decision making and ensuring value for money.
Lack of formalised joined up working which is reliant on officers developing individual relationships with counterparts.	Lack of holistic view across both Councils and understanding of current, future, and potential needs. Certain staff feel excluded and decisions and systems are not co-produced except through individuals making efforts to do so.
Information Governance decisions are not business led but driven by IT needs, sometimes without enough intelligence being given to IG colleagues.	Unnecessary friction between project or operational needs and governance and the current Information Governance needs and best practice, leading to delays in changes and implementation, or remedial work needing to be completed.
Difficulty in recruiting to key posts, particularly in areas needing key subject matter expertise such as cyber.	Lack of critical IT knowledge and expertise. Loss of organizational knowledge and memory due to lack of effective handover. Risk of cyber incidents.
Single points of expertise across the service.	Lack of resiliency in case of staff time off. Project and BAU dependencies on a single person.
Lack of capacity to enforce a robust change control and governance process, and lack of a TDA to facilitate this process.	Lack of rigorous change control process leading to unnecessary or unneeded system changes, as well as potentially damaging implementation of new systems and changes.
Lack of supplier management when third parties are working on new IT projects.	Over dependency on suppliers to manage Implementation and lack of challenge.
No capacity for training on new services and approaches so the service is reliant on 3 rd parties to do this on an unplanned basis which is undesirable for the Partnership	Over dependency on suppliers to horizon scan and identify new opportunities for the business.

Opportunities pg. 2 of 2

Opportunities	Benefits
Create a Data Strategy.	Support organisational data and digital vision and provide framework for digital transformation journey.
Include interoperability in procurement requirements	Easier to integrate systems to enable full automation and provide data for dashboard reporting and analysis to provide evidence-based decisions.
Consolidate IT contract/supplier management into a single function	Build expertise based on best practice to implement a standard supplier management framework to drive down costs and to maximise supplier/service performance
Refreshed application Infrastructure	Take advantage of cloud services to reduce reliance on outdated <u>on premise</u> technology and cost models, introduce and develop cloud-based technology such as, Robotic Process Automation, Cloud booking etc.”
Focus on the basic functions and smart source transactional elements of the front-line services	Frees up resource to work on the improved and or high value services for the council its residents and staff
Build a Business Intelligence and Data Management function	Harness the value of data to provide an evidence base for making decisions on targeted improvements to services.



© Copyright 2023 Socitm Advisory Limited

Future Functional Operating Model





Future Functional Operating Model

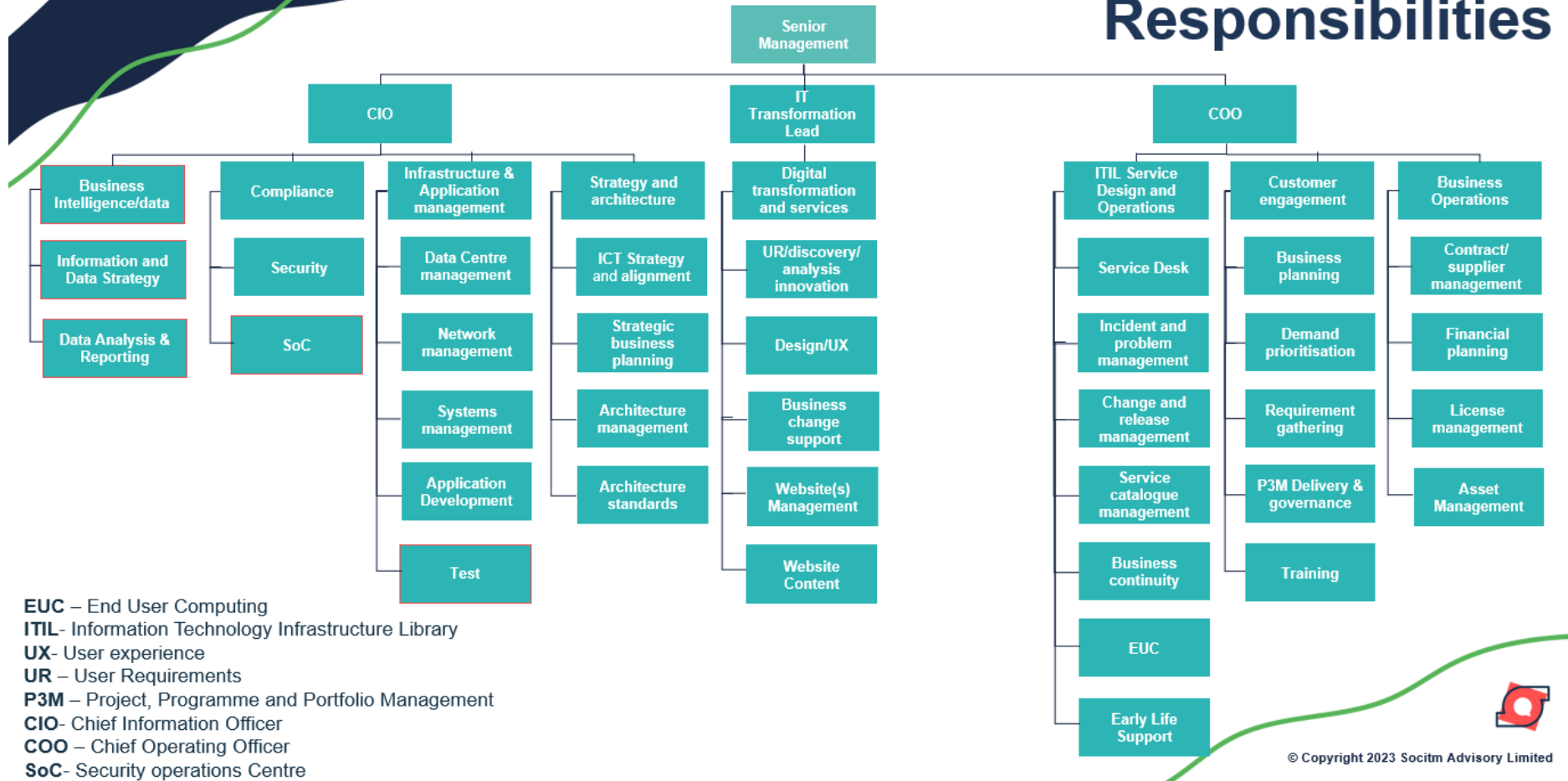
Summary

- We outline the typical Future Operating Model roles and responsibilities as an example of good practice and a typical 'future proofed' service model. We then note the benefits of a phased approach to delivery which we have mapped across all options given to better enable the FOM to be implemented at a speed appropriate for both Councils.
- Three options are presented as well as option variations to lower costs. These options seek to address particular issues or a combination of issues identified in previous sections. The key issues addressed are – business as usual capacity and resiliency, project support capacity, governance and assurance capacity, data and analysis skills and capacity, and wider digital transformation support to both Councils.
- The options have been given indicative costings with next steps being to develop the preferred option with a more detailed business case and implementation plan alongside further engagement with the business.



© Copyright 2023 Socitm Advisory Limited

Typical FOM Roles and Responsibilities



FoM Mapped to ICT Partnership Strategy

The diagram below outlines where value would be added from each option in terms of enabling and delivering the IT Partnership Strategy strategic ambitions:

	ICT Partnership Strategy Alignment																							
	Empowered Customers			Future ICT Digital Estate					Working Smarter						Governance and Security									
Option	SA1.1	SA1.2	SA1.3	SA2.1	SA2.2	SA2.3	SA2.4	SA2.5	SA3.1	SA3.2	SA3.3	SA3.4	SA3.5	SA3.6	SA4.1	SA4.2	SA4.3	SA4.4	SA4.5	SA4.6	SA4.7	SA4.8	SA4.9	
Option 1 – Core Roles	No	No	No	No	No	Partial	Partial	Partial	Partial	Partial	Partial	Partial	Yes	No	Yes	No	Yes	Partial	Yes	Yes	Partial	Partial	Yes	
Option 2 – Enhanced Service	Partial	Partial	Partial	Partial	Yes	Yes	Yes	Yes	Partial	Partial	Partial	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Option 3 – Optimal Model	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

Strategic Ambition (SA) Key:

SA1.1 Empowered Customers
SA1.2 Digital Services
SA1.3 Citizen Identity
SA2.1 Future ICT Estate
SA2.2 Enterprise Architecture
SA2.3 Business Applications
SA2.4 Corporate Applications
SA2.5 Network

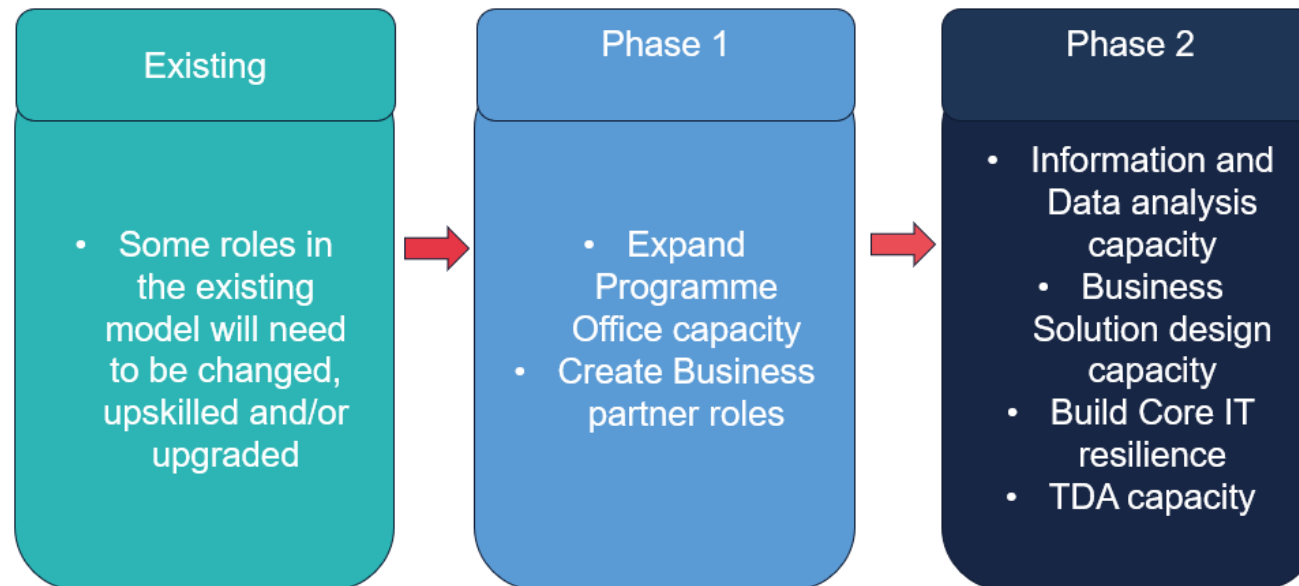
SA3.1 Working Smarter
SA3.2 Mobile ICT (Hardware)
SA3.3 Building Digital Capabilities
SA3.4 Effective adoption and change management
SA3.5 Technology Advisory Partner(s)
SA3.6 Encouraging Innovation

SA4.1 Improved ICT Governance and Security
SA4.2 Governance Framework
SA4.3 ICT Quality and Standards
SA4.4 Securing ICT Infrastructure, Systems, and Data
SA4.5 ICT Policies
SA4.6 ICT Service
SA4.7 Sourcing Strategy
SA4.8 Value Delivery
SA4.9 Performance Management and Reporting



© Copyright 2023 Socitm Advisory Limited

Future Operating Model Approach



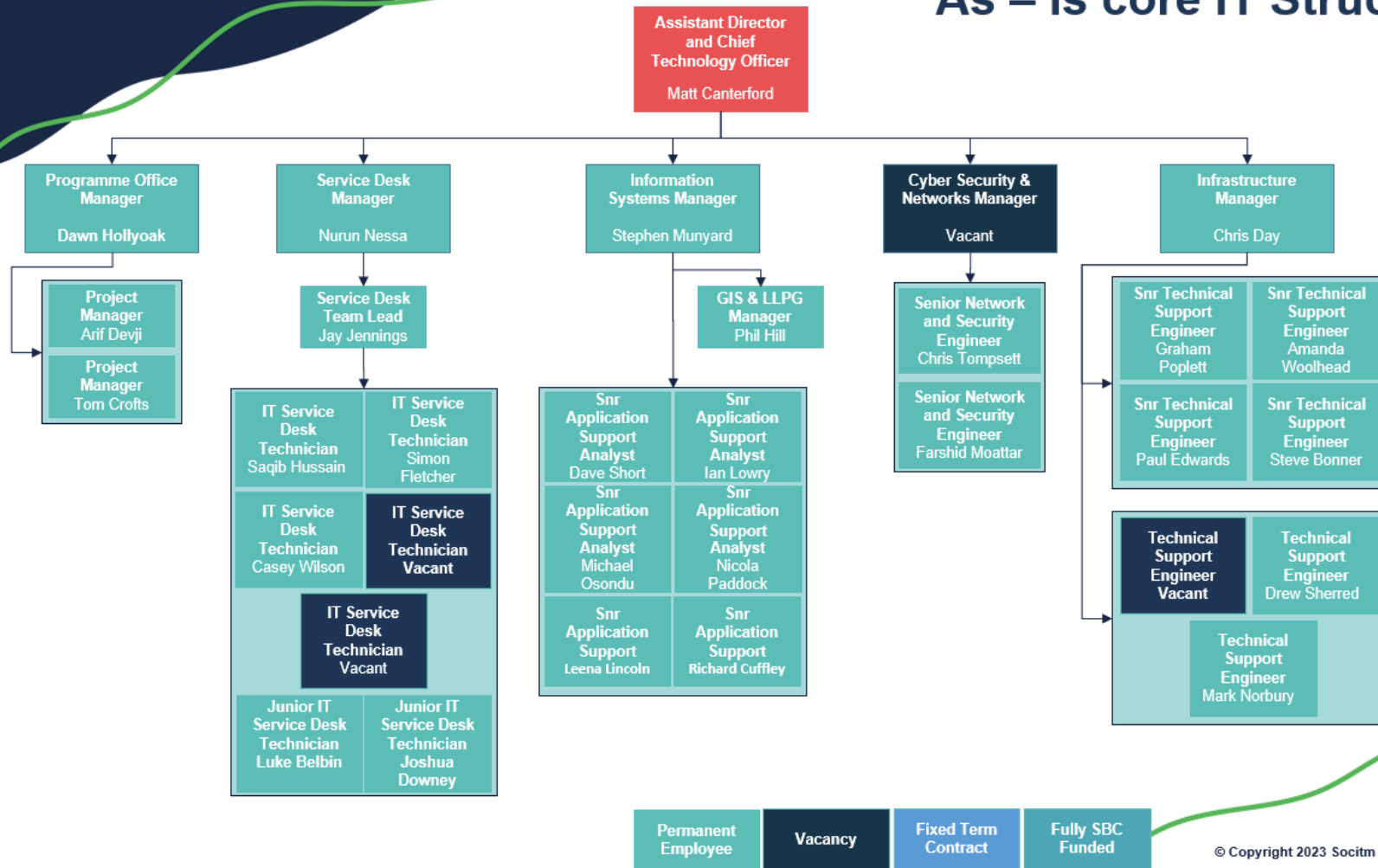
For each of the three options provided for the Future Operating Model, we have provided options for implementing over two phases. This means the speed of change can be managed, balancing the appetite for change, financial constraints and service capacity.

Not all aspects of the Operating model may be adopted, what SOCITM have constructed aligns to the request for a model that meets the demand for supporting Strategic objectives, Service improvement and IT priorities with options depending on the appetite and funding available.



© Copyright 2023 Socitm Advisory Limited

As – Is core IT Structure



© Copyright 2023 Socitm Advisory Limited

Options Presented

Summary

- From the analysis of the current position of the IT Partnership and the risks that doing nothing present to both Councils, three options have been created linking back to the broader approach detailed in the previous slide.
- Each option focuses on enhancing a different improvement opportunity, with option three seeking to address the majority of issues identified. The options are as follows:
 - **Option 1:** Focuses on reinforcing and supporting operational integrity of the partnership and business-as-usual work, as well as building a business partner role to improve business relationships and horizon scanning for each Council.
 - **Option 2:** Focuses on the business partner role above, but also adds assurance, an enterprise architecture role, and a supplier management role. It also adds administrative support to the service to allow for less administrative work being completed by managers.
 - **Option 3:** Builds on the previous options to add support for policy and strategy, training and adoption, data analysis, business intelligence, PMO management and IT Business Analysis.
- Role titles have been changed to better match their functions in the new FOM and best practice titles, the previous titles have been included (*in bracketed italics*) for clarity.
- **Costs for all roles have been based on an average of the grade with 28% oncosts added.**



© Copyright 2023 Socitm Advisory Limited

Options and Cost Impacts

Option	Current Service Costs including NI and Pensions		Additional Costs including NI and Pensions		Total Cost (additional role cost) £s – including NI and Pensions	Impact
Current State/No change	£	1,712,745	£	-	£ 1,712,745	Risks and current issues remain.
1. Core Roles	£	1,712,745	£	418,960	£ 2,131,705	Additional BAU support and some delivery capacity, rationalise structure to match span of control.
2. Enhanced Service	£	1,712,745	£	629,795	£ 2,342,540	As in Option 1 with delivery assurance and IT architecture development
3. Optimal Model	£	1,712,745	£	922,693	£ 2,635,438	As in Option 1 with Option 2 roles included as well as Policy and Strategy, PMO, Data and BI roles included.



© Copyright 2023 Socitm Advisory Limited

3 Year View

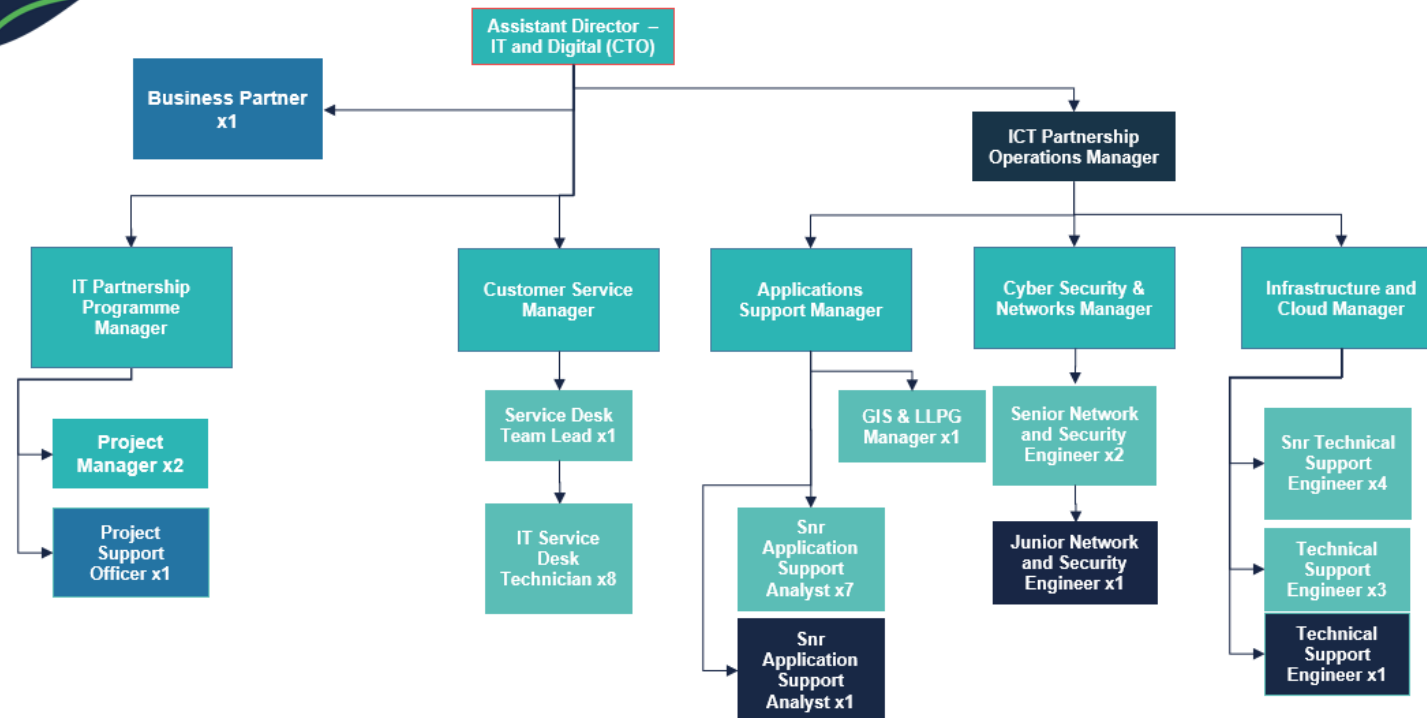
Option	3 Year View
Current State/No change	If this option is selected there is likely to be a lack of improvement on the current position, with limited capacity and specialist skill sets hindering the ability of the Joint Partnership to deliver business as usual support and to deliver the IT Joint Partnership Strategy. Technical debt is likely to grow, causing increasing issues across the technical estate with higher costs to resolve the issues.
1. Core Roles	If this option is selected the current position around business-as-usual support and the capacity to implement transformation requests will improve, however specific skills around enterprise architecture, supplier management, as well as general administrative support, will not be added to the service. This will limit the effectiveness of the service to implement the IT Partnership strategy and to have a stronger strategic management position around architecture, developing a supplier strategy, and supporting transformation needs from the wider Councils.
2. Enhanced Service	If this option is selected business as usual support and the capacity to implement transformation requests will improve as with option 1. Core Roles with additional improvement from the introduction of strong enterprise architecture management and supplier management to ensure that system development (either as business as usual or as part of transformation work) is aligned to lessen or avoid technical debt and that existing and new suppliers provide value for money. This would not provide any capacity or skills around business intelligence and data analysis, meaning that area of the IT strategy cannot be developed strongly. It would also not provide support for the PMO and for training and adoption, which would not increase the chances of project delivery and system adoption.
3. Optimal Model	If this option is selected then the business will have a strong basis to deliver business as usual support, support transformation across both Councils. The option will provide the benefits outlined in options 1 and 2 above over the three years with the additional of support for project and programme deliver, for training and adoption, and for business intelligence and data engineering which will provide the capacity to develop the areas outlined in the Joint Partnership strategy, as well as business analyst support to ensure value is added to IT processes through implementation of the strategy. This option provides the highest likelihood of successful strategy delivery over 3 years, the lowest risk of system downtime, the highest likelihood of reduced technical debt, and an increase in supplier value.



© Copyright 2023 Socitm Advisory Limited

Future Joint Partnership Functional Operating Model: Option 1 – Core Roles

Subject to Consultation



© Copyright 2023 Socitm Advisory Limited

Future Joint Partnership Functional Operating Model: Option 1 – Core Roles

Option 1 - These roles are proposed in order to meet the current operational needs of the service and allow for BAU tasks to be better supported.

Technical Support Engineer, Snr Application Support Analyst, and Jnr Network and Security Engineer role FTE increases could also be filled by 1-2 apprentice roles.

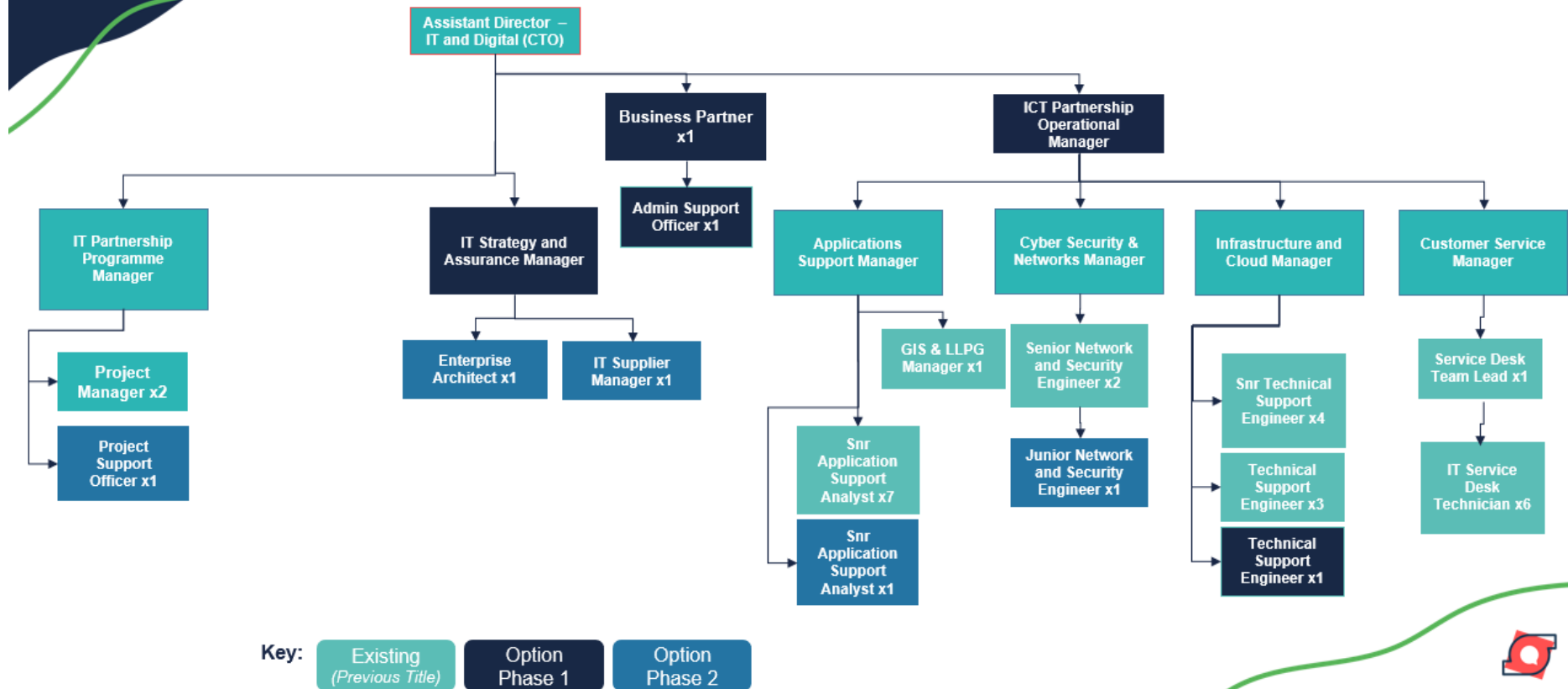
Proposed roles to be added or removed	Rationale
ICT Operations Manager +1	Improved business relationships and operational resiliency, supports HR management guidelines
Business Partner +1 [Phase 2]	Capacity to build business relationships and to triage demands on the service
Technical Support Engineer +1	Supporting BAU delivery
Snr Application Support Analyst +1	Supporting BAU and change delivery
Jnr Network and Security Engineer +1	Supporting BAU delivery
Project Support Officer +1 [Phase 2]	Providing project administration support to the PMO and PMs



© Copyright 2023 Socitm Advisory Limited

Future Joint Partnership Functional Option 2 – Enhanced Service

Subject to Consultation



© Copyright 2023 Socitm Advisory Limited

Future Joint Partnership Functional Operating Model: Option 2 – Enhanced Service

Option 2: Focuses on the business partner roles above, but also adds assurance, an enterprise architecture role, administrative support, and a supplier manager role to support delivery assurance across the partnership.

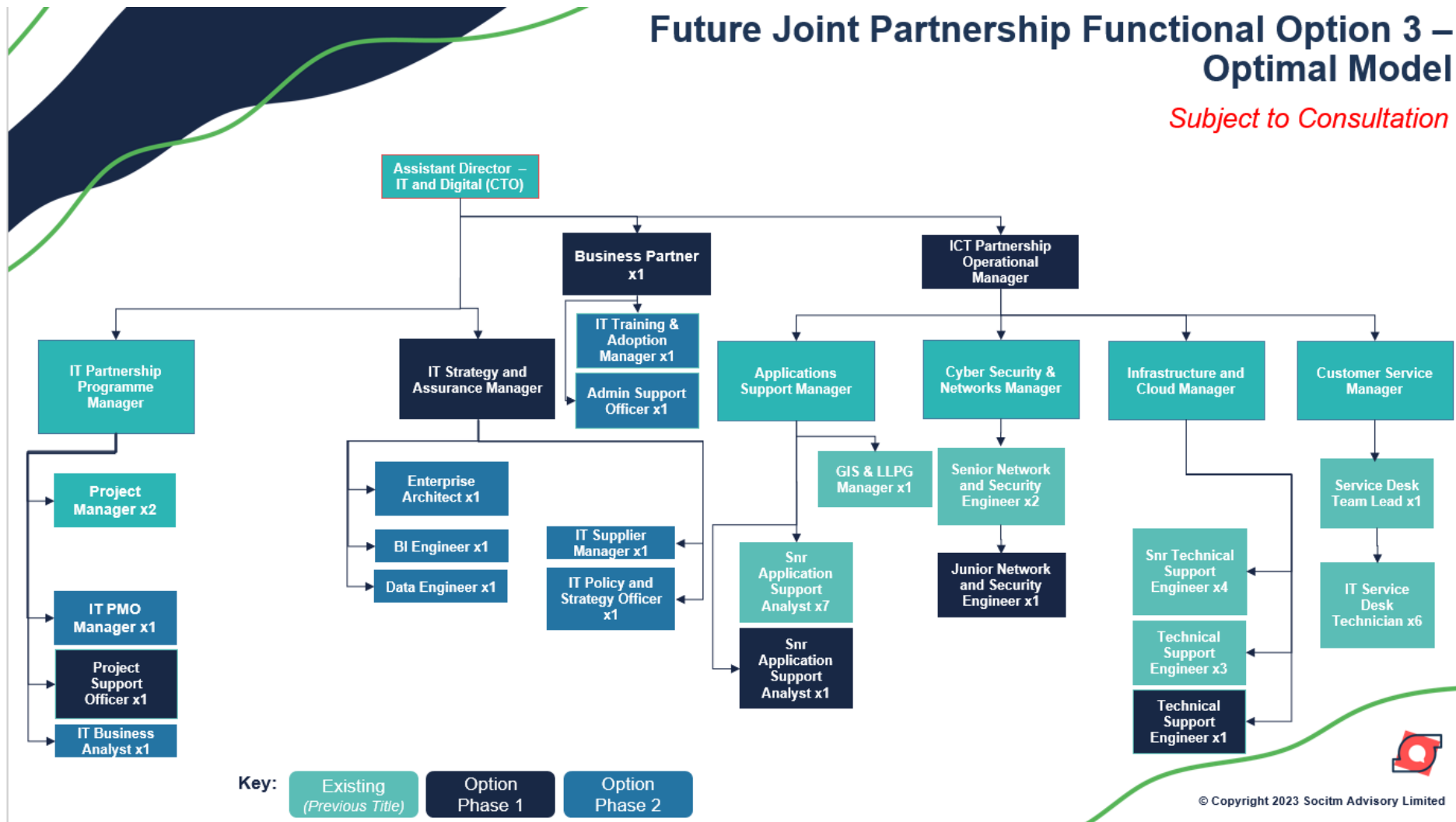
Proposed roles to be added or removed	Rationale
Option 1 Roles	
IT Strategy and Assurance Manager [Phase 2] +1	To oversee strategy alignment, TDA, and data exploitation capacity
Enterprise Architect [Phase 2]	Leading overall system design and a Technical Design Authority
IT Supplier Manager [Phase 2] +1	Leading IT contract management to deliver rationalisation
Admin Support Officer +1 [Phase 2]	To provide administrative support to IT managers increasing their time on level appropriate activities.



© Copyright 2023 Socitm Advisory Limited

Future Joint Partnership Functional Option 3 – Optimal Model

Subject to Consultation



Future Joint Partnership Functional Operating Model: Option 3 – Optimal Model

Option 3: Builds on previous options and adds data and design roles to develop the partnership capacity to co-design and prioritise sensible business solutions with the transformation teams, and support data led decision making across both Councils, as well as PMO management capacity, policy and strategy governance capacity, and training and adoption capacity.

Proposed roles to be added or removed	Rationale
Option 1 roles (phases 1 and 2)	Outlined in slide 91
Option 2 roles (phase 2)	Outlines in slide 94
IT PMO Manager +1 [Phase 2]	To manage and focus on PMO best practice to support the programme
BI Engineer [Phase 2]	Dashboard creation and support
Data Engineer [Phase 2]	Data analysis and collation capacity



© Copyright 2023 Socitm Advisory Limited



Future Joint Partnership Functional Operating Model: Option 3 – Optimal Model

Option 3: Builds on previous options and adds data and design roles to develop the partnership capacity to co-design and prioritise sensible business solutions with the transformation teams, and support data led decision making across both Councils, as well as PMO management capacity, policy and strategy governance capacity, and training and adoption capacity.

Proposed roles to be added or removed	Rationale
IT Policy and Strategy Officer +1 [Phase 2]	Working with the IT leadership team to align policy and strategy
IT Training and Adoption Manager +1 [Phase 2]	To support cultural change and adoption of new applications and updates.
IT Business Analyst [Phase 2]	Assess IT issues and design solutions



© Copyright 2023 Socitm Advisory Limited

Potential impact on current demand

As of the 26th May, the IT Partnership has over 60 projects that require delivery support and a call backlog of over 1000 calls with the Service Desk. The table below outlines the potential impact of each option on the current project and user demand on the service.

Option	Predicted impact
Current State/No change	No additional capacity to deal with IT change portfolio. Projects continue to be allocated on a priority basis with a limited number of projects able to be supported at any one time. Benefit delivery for projects will be limited by IT capacity. No change to the demand on the Service Desk. The lack of business partner resource will also mean that stronger partnering with services to ensure good IT support and project delivery is limited.
1. Core Roles	Additional technical capacity added to support delivery of the IT portfolio which would increase the number of projects that could be supported. Additional system support should lower downtime and outages, which would lower demand on the Service Desk. This option will not provide enterprise architecture capacity to ensure IT project alignment, nor will it provide for stronger supplier management to help implement project deliverables more effectively.
2. Enhanced Service	This option would include the benefits of Option 1, but with added capacity in enterprise architecture, supplier management, and administrative support would allow for greater IT architecture and supplier alignment, providing a higher chance of IT project benefits being realised and dis-benefits being avoided. This would allow for IT project to be better aligned and potentially closed or consolidated, decreasing the number of projects needing support. It would also reduce the risk of implementation issues caused by poor supplier management or architecture misalignment which would lead to lower Service Desk calls being raised when new systems are implemented.
3. Optimal Model	This option includes the benefits of Options 1 and 2, but with additional capacity around data engineering and business intelligence. It would allow for progress in delivering the Joint IT Partnership in those areas, giving both Councils a stronger organisational data picture to ensure that resources and change activity is allocated appropriately. The PMO manager and IT Business Analyst role would ensure that project requirements are effectively gathered and met in a well governed and standard way – curating the IT project portfolio to ensure that projects with the most value are focused on and transitioning the service to a 'value led' resource allocation model rather than a 'demand led' one.



© Copyright 2023 Socitum Advisory Limited



Implementation Timeframes and Adaptions

As the future operating model is implemented we recommend that a review timeline is put in place to ensure that the model continues to add value and can be adapted as needed to the changing organisational environment. The operating model should be reviewed:

- a) When changes are made to the Joint IT Partnership Strategy, or to the Council Plans and;
- b) Following delivery of each phase of the operating model to ensure it adds value and that the next phase is still appropriate.
- c) Every 12 months to conduct a light touch review, ensuring that operating model delivery is on track and that benefits are captured.

Elements that could be changed most readily as the operating model is delivered include the number of application and infrastructure staff (reducing as more cloud based software is used), service desk staff (predicated on more 'self-service' tools for users lowering demand) and project/PMO staff (changing based on the size of the portfolio, potentially using a pool of flexible project managers, or pooling some change resources across Councils to provide flexibility).



© Copyright 2023 Socitm Advisory Limited



Assumptions and Implementation Challenges

- Each option given seeks to resolve a different combination of issues along with shoring up the foundations of the partnership and providing the capacity and capability in the IT Partnership to deliver the Council's and Partnership's strategic objectives. However, we know that added resources cannot solve all challenges without cultural and process changes.
- Alongside the implementation of the Future Operating Model, process reviews and alignment need to be planned as part of the future roadmap to ensure that any bottlenecks and duplication of work are removed.
- There is a challenge to implementing any new operating model that the organisation culture will remain unchanged, and if this is problematic, then related issues will persist. There is an opportunity with the new leadership of the IT Partnership to ameliorate this through open and transparent communication and feedback to and from staff in the service and the wider business.
- Further challenges come from the demand placed on the Partnership which will require both Councils working together to agree a scope and prioritisation of work that is within the capacity of the Partnership to deliver.
- Finally, there are assumptions that appropriate candidates will be able to be recruited to the roles in the new model, which may be difficult given the competition and proximity to London.



© Copyright 2023 Socitm Advisory Limited