

Report for: Shared Digital Joint Committee 8 Nov 2016 - DRAFT

Item number: To be added

Title: Shared Digital – Data Centre & Cloud Procurement

Report

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Ward(s) affected: ALL

**Report for Key/
Non Key Decision: Key Decision**

1. Describe the issue under consideration

- 1.1.** This report seeks the approval from the Shared Digital Joint Committee to procure Cloud services as part of the Shared Digital Programme. This will provide a more efficient way of providing IT Services to the shared services. This will be achieved through the closure of multiple data centres, the migration and then transformation of applications and data to Cloud based solutions that will allow services to be acquired on a consumption basis and reduce overall total cost ownership.

2. Cabinet Member introduction

The councils for the London Boroughs of Camden, Haringey and Islington have joined together to create a shared services platform with the aim of delivering an integrated approach across the three councils that will save money, improve existing services and drive innovation. In the medium term, the goal is to use the platform to enable services to be provided to other public sector bodies in order to generate revenue for the councils.

This initiative takes place against a background of operational concerns including budget pressures, exit dates for hosting locations, on-going hardware and software lifecycles, increasing demands for services and a changing security landscape.

The approval for the shared service has recently been approved by the Cabinets at all three Councils.

A view was taken that future datacentre provision should be reviewed across all three Councils. At programme level, this would offer opportunities, specifically:

- 2.1.** An integrated approach on technology platforms across all 3 councils

- 2.2.** Development of a consolidated data centre and cloud strategy that will reduce overall total costs of ownership, improve resilience and provide a more efficient and enhanced service to both internal and external customers across the boroughs.

3. Recommendations

- 3.1.** It is recommended that the Shared Digital Joint Committee approve the data centre and cloud work stream the right to procure a cloud services via a specialist partner with a total contract value not exceeding £4m

4. Reasons for decision

A decision is required for approval for the procurement process. It will also allow the programme to commence the procurement process and deliver as outlined below:

- The 'Shared Digital' service procures and implements a data centre service that supports and delivers all the three council's digital transformation of its services.
- The data is held in a hybrid cloud (private and public cloud) which helps deliver services where needed whether on mobile devices or fixed terminals and improve and enhance the overall delivery of all services
- The resilience for critical systems will improve whilst reducing the total cost of ownership.

5. Alternative options considered

- 5.1.** **Do nothing**, i.e. use the existing data centres is not an option due to closure dates on Camden and Haringey data centres and also the overall Shared Digital Services strategy that has been agreed and put in place.

6. Background information

- 6.1.** The Shared Digital Services programme is currently undertaking several large transformation programmes including the Data Centre and Cloud work-stream. As part of this work-stream the three boroughs have collectively defined and agreed a 'Cloud First' strategy, which forms part of the overall strategy of consolidating services. Our therefore goal is to deliver a cloud solution that offers true cloud characteristics across the estate whilst catering for the significant volume of legacy workloads and on-going change.

- 6.2.** Two of the Shared Service programme objectives are:

- To reduce the overall costs of running data centres (using 15/16 as the baseline year) by 20%.

- To develop a shared data centre strategy that will include the need to increase cloud capacity, increase in resilience and de-risk the removal of data centre accommodation in Camden and Haringey

6.3. In addition, there are drivers outside of the programme in relation to two of the data centres:

- Haringey are currently running at risk within their Techno Park data centre due to on-going site works at the current location, there is also the contractual need to vacate the data centre.
- Camden needs to move out of the Town Hall data centre by March 2017
- Consolidate six data centres to two data centres
- Align and merge network services across the three Councils as required to support the data centre and cloud migrations
- Assess and document Cloud strategy options that allow a template to be used for migration to the cloud.

6.4. When discussing a cloud strategy, it is important to have a shared definition of the word “cloud” as it can often mean different things to different people and organisations. For the purposes of this document, we will use the following definition:

6.4..1. Cloud is an IT service delivery mechanism which has the following key characteristics: dynamic, service centric, on-demand, available and consumption based.

6.5. Delving into these cloud characteristics, a number of important aspects of cloud-based service delivery become apparent:

6.5..1. Dynamic - A dynamic cloud is based on pooled resources with rapid elasticity that allows tenant workloads too quickly and easily scale and for the platform itself to grow incrementally as requirements dictate. This necessitates a highly automated approach, particularly for provisioning, and leads towards functions being defined in software rather than hardware.

6.5..2. Service-Centric - Clouds deliver standardised, catalogue-based offerings where all elements are treated as a service with associated SLAs, documentation, support and service management

6.5..3. Self-Service - Consumers of cloud services expect to be able to manage their own environments, driving the requirement for highly orchestrated, multi-tenant platforms with a strong concept of identity of the service consumer

6.5..4. Highly-Available - From a connectivity perspective, consumers expect services to be available from all locations at all times and for the data within the service to be maintained. This dictates a need for services to be tightly monitored, highly secure and have very strong data protection systems

6.5..5. Consumption-Based - Tied with the self-service elements, consumers expect that a service has an associated cost and so

mature cloud systems measure consumption with show-back and charge-back capabilities

6.5..6. Cloud has three layers or service models; Infrastructure as a Service (IaaS) at the bottom, Platform as a Service (PaaS) in the middle and Software as a Service (SaaS) at the top. Clouds can be deployed in one of three models: private, public and hybrid and it is anticipated that the requirement will be to consume all of these models in a shared service model.

6.6. Without the data centre and cloud project and transformational programmes taking place, the shared digital services strategy would be impacted and would incur further costs moving forwards, it is therefore imperative that the right to procure Cloud services is approved to assist reducing overall total cost ownership and for the Shared Digital Services strategy to be delivered.

6.7. While the total estimated amount of the procurement may seem to be a high cost, each constituent project across the transformation and priority outcome programmes already has an underlying business case that bears scrutiny under the programme governance arrangements. This is not a request for additional funding outside those programmes.

6.8. Any IT implementations costs are invariably a one-off spend at the time of implementation, and therefore can usually be considered to be part of the capital costs of a system implementation alongside the hardware and software elements.

7. Contribution to strategic outcomes

7.1 The report seeks approval to procure cloud services which are required to support council wide transformation programmes and priority programmes.

7.2 The solution procured through this exercise will allow the shared digital services strategy to be delivered with a 'Cloud First' approach.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities

8.1 Finance and Procurement

There are a number of compliant frameworks that provide LBH, as lead partner for this procurement, a route to market. These are established frameworks and will offer the Council best value for money.

- The Digital Services Framework – This framework has a further competition option which will allow an organisation to build digital services in an agile way. Through a further competition this framework can be used to commission bespoke digital services.

- G—Cloud 8 – This framework allows an organisation to choose and purchase cloud services. It is for commodity based pay as you go cloud services.
- Consultancy One – This framework allows for a further competition evaluation process by inviting suppliers to participate. In exceptional circumstances there is a direct award facility where a single supplier can be invited to submit a quotation.

The project is for 12-18 months with an estimated maximum contract value of £4m

8.2 Legal

.TBC from Joint Committee partner councils.

8.3 Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

This report seeks approval to procure a specialist organisation for the provision of cloud services. The contract specification will clearly set out the supplier's responsibilities under equalities legislation, including a requirement to have in place up to date equalities policies. The contractor will have to demonstrate compliance with relevant equalities legislation through the tendering process.

9. Use of Appendices

None

10. Local Government (Access to Information) Act 1985