

Business Change Mandate (Including Budget Mandates) Proposal Number: B04

Title: SRS (Shared Resources Service) ICT Savings

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

Mandate Completed by	Peter Davies, Head of Commercial and People Development
Date	16 th September 2015

How much savings will it generate and over what period?
Targeted recurrent annual savings of £50,000 with effect from 1 st April 2016. Note that this is an outline mandate. The full mandate and business case will be developed and finalised in time to allow implementation for 2016/17.
Directorate & Service Area responsible
The SRS is taking lead responsibility for delivery of the mandate. Monitoring and evaluation will be undertaken by the Authority's Digital and Technology team within the Enterprise Directorate.
Mandate lead(s)
Peter Davies – Head of Commercial and People Development Sian Hayward – Digital & Technology Manager Matt Lewis - Chief Operating Officer, SRS

Final mandate approved by Cabinet	Date:
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1. Vision and Outcomes of the Mandate

Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

What is the issue that the proposal is seeking to address?

The overall vision for the Welsh Public Sector is to provide a centralised IT platform that enables any public sector organisation within Wales to consume IT services from a flexible cloud based platform. The secure platform will add real value to the existing PSBA (Public Sector Broadband Aggregation) network by allowing users from different organisations to collaborate and share data across the network regardless of their location. In addition to this, the service will ensure that skills and knowledge can be shared across organisations therefore removing any duplication of effort and driving significant savings for each organisation.

Beyond the savings opportunities that could subsequently result this mandate additionally focuses on the on premise data halls held by the SRS and the scope to optimise the sale of rack space to public sector and commercial customers.

What evidence have you got that this needs to be addressed?

Most organisations have or are considering the transfer of its data storage to cloud based solutions. The level of risk aversion around data storage within the public sector is noted but this risk aversion is lessening as public sector organisations explore the benefits and savings resulting from data storage being held in the cloud. The SRS has a significant opportunity to exploit its data halls as a secure venue for public sector cloud storage and furthermore for the constituent authorities to identify data storage that can suitably be held off premise in the cloud.

A specialist company has recently produced a report for the SRS and that evidenced the opportunity that presents the SRS and other public sector organisations from exploiting what is outlined above.

How will this proposal address this issue

The use of physical, on premise data centres and infrastructure in the future will look very different from that which we see today. With the emergence of cloud based technologies, "hybrid" solutions could provide a mix of existing on premise infrastructure in our data centre plus a cloud provision hosted in the most cost effective location that jointly delivers the required levels of security, confidentiality, integrity and availability. This will position the SRS to be to offer public sector an attractive solution of both on premise and cloud delivery solutions.

As stated above the move to off premise cloud solutions by the constituent authorities will in turn and in time release further rack space that can be offered to commercial customers.

What will it look like when you have implemented the proposal
The necessary infrastructure will have been put in place by the SRS to allow the data halls to accommodate other public sector customers and to enable the move to an all-Wales public sector cloud solution. Marketing and sales expertise will be in place to ensure that the data halls are exploited for both public sector and private sector customers. The cloud infrastructure will in turn provide opportunities for services to move their core systems into a cloud based (web based) environment, with commensurate benefits and savings that can result.
Expected positive impacts
Positive impacts include: (a) the most appropriate and cost effective hosting solutions being in place for the Authority's data; (b) the ability for the SRS to exploit the data hall infrastructure it holds in order to service other public sector organisations and commercial customers.
Expected negative impacts
There are potential cost implications from moving some systems into an off premise, cloud based environment. This will be identified as the business case is more fully developed. Reassurance will need to be provided that cloud solutions being put in place ensure that data is secure, confidential and accessible.

2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed
				16/17	17/18	18/19	19/20	
SRS	£1,976,969	£100,000	-	£100k	£100k	£100k	£100k	£100k recurrent savings

3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
To reduce the ICT data	Information management policies require managers to proactively manage	Head of Commercial & People

storage requirements of the Authority	their information and data. Archiving and deletion routines are already in place. The savings potential from this option will not be sufficient.	Development
To disinvest from the SRS for the Authority's data storage requirements and to source alternative solutions (e.g. cloud solutions).	The Authority has previously committed to its investment in the SRS and the SRS is seen as its ICT network and infrastructure provider. The SRS is a valuable investment and there is greater potential to generate income from the assets that the SRS has in its possession (e.g. available rack space for data storage).	Head of Commercial & People Development

4. Consultation

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Senior Leadership Team	Authority – all directorate	Various
Senior Management Team	Authority – all divisions	14 th Sept 2015 / 15 th Sept 2015
Digital & Technology Manager	Enterprise Directorate	Various
Chief Operating Officer	SRS	Various

Has the specific budget mandate been consulted on?		
Function	Date	Details of any changes made?
Department Management Team	14 th Sept 2016	Awaited
Other Service Contributing to / impacted	15 th Sept 2016	Awaited
Senior leadership team	17 th Sept 2016	Awaited
Select Committee	To be confirmed	Awaited
Public or other stakeholders	To be confirmed	Awaited
Cabinet (sign off to proceed)	7 th October 2016	Awaited

Will any further consultation be needed?		
Name	Organisation/ department	Date
SRS Public Board	SRS	To be confirmed
SRS Business Solutions Limited Board	SRS Business Solutions Limited	To be confirmed

5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
Secure agreement through SRS Public and SRS BS to deploy resources in order to enable creation of cloud architecture	Chief Operating Officer, SRS	September 2015
Establish project team to manage transfer of authority's on premise data to off premise cloud provision	Chief Operating Officer, SRS Digital and Technology Manager	October 2015
Secure resource and expertise to allow for marketing and sale of rack space	Chief Operating Officer, SRS	November 2015
Finalise full business case	Chief Operating Officer, SRS	November 2015
Programme plan and resultant actions will result from the finalisation of the business case		

6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
Expertise in marketing, lead generation, negotiation of commercial contracts	The SRS's Research and Development budget	
Consultancy support to enable the Public Sector Cloud Architecture	The SRS's Research and Development budget	
Release of staff resources to implement the required cloud infrastructure and to facilitate the phased transfer of the authority's on premise data to off premise cloud hosting	Existing MCC / SRS staff resources – capacity to be reviewed	

7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Budget	Number of (additional) racks let to other public sector or commercial organisations					TBC	TBC	TBC	TBC
Budget	Income/profit generated from the sale of rack space to public sector or commercial organisations					TBC	TBC	TBC	TBC
Process	Number of rack spaces released as a result of authorities moving data storage off premise					TBC	TBC	TBC	TBC

8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
That timescales are not adhered to such as to allow rack space to be sold to public sector or commercial organisations	Strategic	The current timescales allow for the public cloud architecture to be put in place by February 2015. This is dependent on necessary decision making points being reached. Furthermore, there is a lack of resource and expertise	Possible	Substantial	Medium	Other savings opportunities are potentially available to offset any initial shortfall in rack space income being secured.	Medium

		to market and sell rack space.					
That requisite skills are not available to facilitate the move to a public cloud architecture and to acquire commercial/public sector customers	Operational	There is a lack of resource and expertise to market and sell rack space.	Possible	Substantial	Medium	Resource and expertise requirements to be confirmed and established up-front.	Low/Medium

9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
That the Authority's share in profits and savings generated by SRS Public and SRS BS will be available to the Authority rather than being retained by the respective organisations.	Each of the constituent authorities who are involved in SRS Public and SRS BS are facing similar financial pressures and are sourcing ways to reduce the net contribution to the SRS without impacting on the required service provision and service standards.	Head of Commercial and People Development
That SRS Public is able to deliver the changes and secure the opportunities that result from the mandate in the timescales required.	Investment needed to deliver the mandate is identified above and will be met from the SRS's R&D budget. SRS Public Board commitment is expected and proposals are being considered at the 21 st September SRS Public Board meeting.	Head of Commercial and People Development
That additional costs (e.g. licencing) falling on the authority in transitioning into a cloud or hybrid cloud environment are sufficiently outweighed by gross savings from the sale of rack space such as to ensure that the £100k recurrent net savings can be achieved.	Initial costings and review of wider saving opportunities (e.g. CCTV, staff restructuring) provide sufficient comfort that the savings target can be met.	Chief Operating Officer, SRS

10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
On a quarterly basis following implementation from 1 st April 2016 as part of ongoing performance monitoring; Formal reviews on an annual basis.	Digital and Technology Manager