

## EAST SUSSEX FIRE AUTHORITY

Meeting	Policy & Resources Panel
Date	20 January 2022
Title of Report	IT Delivery Contract Extension
By	Duncan Savage, Assistant Director Resources/Treasurer
Lead Officer	Ken Pearce, IT Governance Manager

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Background Papers	None
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Appendices	Appendix 1 – Senior Leadership Team Report 16 December 2021 - <b>CONFIDENTIAL by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 in that the Information relates to the financial or business affairs of any particular person (including the authority holding that information).</b>
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### Implications

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

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<b>PURPOSE OF REPORT</b>	To update members of the Policy & Resources (P&R) Panel on the outcome of Spirit Acuity's review of the current Telent contract performance and the assessment of whether the Authority should take up the option to extend the existing IT delivery contract for a further three years to August 2026.
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To update members of the P&R Panel on the outcome of the associated commercial negotiation with Telent, related to the three year extension.

Finally, to seek approval to implement the Senior Leadership Team (SLT) recommendation that ESFRS takes up the option for the three year extension to the telent contract and approval of the associated savings that have been negotiated, based

on the planned expenditure detailed in the Authority's IT Strategy 2020-2025.

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## **EXECUTIVE SUMMARY**

The Authority awarded a seven year contract for the provision of IT Services to Telent in August 2016. The initial term of the contract expires in August 2023.

The Authority has the option to extend the contract for a further three years to August 2026.

The first five years of the contract have been characterised by projects to address issues with the robustness of the underlying computing and communications infrastructure for the Authority, including the rollout of new mobile working technology, the upgrade of station end IT equipment, appliance Mobile Data Terminals (MDTs) and a project to replace the Authority's control room solution, which resulted in Project 21 and the successful go live with Surrey Joint Fire Control (JFC) on 17<sup>th</sup> November 2021.

The Authority is now looking to capitalise on its stable technology platform to make strategic changes to the business, enabled by IT solutions such as the new CRM Site Specific Risk Information, Home Safety Visit and Fire Safety systems, Firewatch Human Resources and Business Intelligence systems. The Authority's IT Strategy 2020-2025 describes the next steps of this transformation in more detail.

The Authority contracted an independent 3<sup>rd</sup> party, Spirit Acuity, in May 2021 to undertake a review of Telent contract performance to date. Spirit assisted the Authority in the original tender process undertaken in 2016 and the drafting of the resulting contract with Telent, and therefore were considered well placed to undertake the independent review.

To determine whether Telent was able to meet the Authority's requirements through the current contract, Spirit carried out a review of all parts of its operation, based on four areas of investigation:

- Partnership
- Services
- Contract Operation
- Value for Money (VfM)

The review comprised a documentation review, stakeholder interviews (Fire Authority and Telent), a SWOT analysis, and a Financial Model review.

Spirit's report concluded that operational delivery against the contract, and partnership working across all four areas of the review are generally perceived as very good, whilst project related partnership working and delivery is, with some relatively minor exceptions, fit for purpose.

In addition, the Spirit report concluded that the current contract offers good value for money and is capable of meeting the Authority's requirements, that there is a good cultural fit between the parties, and both parties are able to work well together.

To ensure that the contract meets the Authority's requirements in the future, Spirit identified a number of recommended improvements, such as enhanced strategic engagement, an improved project pipeline process and enhanced Technical Design Authority.

In summary, Spirit recommended that the Authority should extend the full scope of the current contract by three years (to August 2026), provided that two conditions were met:

- That Telent offers an appropriate level of price improvement, particularly in respect of the price of new project work.
- That Telent and the Authority can agree an action plan to address the recommendations, particularly those related to strategic engagement and project pipeline planning.

Following Spirit's report, the Assistant Director Resources/Treasurer with the support of the ITG Manager completed a commercial negotiation with Telent. The result is a projected saving to ESFRS of £303,000 for the extended contract term to August 2026, based on agreed spend published in the IT Strategy 2020-2025. The negotiated savings are in line with expectations and include a price improvement for new IT strategy project work contracted via Telent

In addition, the commercial outcome includes provision for a new Strategic Engagement Workshop, which will be jointly facilitated by Telent and the Authority on an annual basis. The annual workshop will provide a mechanism for senior stakeholders from both organisations to identify strategic requirements, priorities and align plans, so that both senior leadership teams can forge a shared understanding of business requirement beyond the immediate strategy.

The other key recommendations from the Spirit report will now be built into an agreed improvement plan, which will be tracked via the existing Authority and Telent contract governance bodies.

Further details of the Spirit Acuity Report and the commercial outcomes from the negotiation are set out in Appendix 1 in the confidential part of the Agenda.

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**RECOMMENDATION**

That the Panel:

- i) notes the outcome of Spirit Acuity's review of the current Telent contract and recommendation to extend the contract for a further three years to August 2026;
  - ii) notes that as part of the Spirit Acuity recommendations a new Strategic Engagement Workshop will take place annually, jointly facilitated by Telent and the Authority, to identify strategic requirement, priorities and align plans beyond the immediate IT Strategy;
  - iii) notes the outcome of the commercial negotiation with Telent, related to the three year extension and the projected saving of £303,000 for the extended term, based on the expenditure detailed in the published ESFRS IT Strategy 2020-2025;
  - iv) approves the three year extension of the Telent contract to August 2026 and associated £303,000 saving; and
  - v) delegates authority to the Assistant Director Resources / Treasurer to put in place all arrangements necessary to exercise the contract extension.
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