



EXECUTIVE SUMMARY

Public sector leaders now face the significant challenge of delivering against the government's transformational IT agenda, whilst also working within the tight constraints of current austerity measures. The very substantial reduction in public sector resources is not matched by reducing public expectations. To date most of the public sector savings have been achieved with workforce reductions, but losing people only offers limited potential for cost savings before the quality of services is badly affected.

This paper focuses on addressing the problems associated with the **budget gap** currently experienced by public sector IT departments at the mid-point of the austerity agenda.

This paper considers how these challenges may be solved whilst acknowledging the organisational constraints that IT departments are working within, which include addressing:

1. **The skills gap** by gaining access to relevant resource capacity, skills and knowledge: - in the right place, at the right time, at the right cost.
2. **The data gap** by implementing cost-effective data management solutions, within the context of increased data volumes and more complex compliance laws.
3. **The Technology gap** by reducing costs of running and maintaining IT hardware and software by right-sizing the environment to avoid paying for unused capacity and license costs.

Q Associates aims to work with our clients in the public sector, fully recognising the challenge posed by the current funding climate. We typically work within budget to deliver transformation projects, replacing expensive legacy systems with highly efficient, cost effective IT infrastructure.

INTRODUCTION

Despite Central Government funding for investment initiatives like “Better Start” and “Transformation Challenge” councils are implementing measures that reduce pressure on critical council services. Information technology sits firmly at the heart of addressing this challenge.

Against a backdrop where public service organisations have seen a 27% cut in spending in real terms since 2010, efficiency savings still need to be achieved.

To compound this issue, the impact of earlier cuts is starting to show in citizen satisfaction figures, bringing increased urgency to the effective delivery of IT projects, and increased provision of online services.

At Q Associates, we build IT solutions in partnership with our public sector customers. We understand how ICT departments can deliver technology changes to achieve necessary cost savings, whilst continuing to maintain and improve citizen services.

This can only be achieved through investment in IT as an asset, in order to effectively capitalise the economic benefits of modern technology.

THE SKILLS GAP

The new council Chief Exec is on their side and views IT as enabler, not cost.

In a survey of 1,619 public sector staff (totaljobs.com and Dods Research, 2014) 82% said reforms are under pressure due to staffing cuts. A further 45% said that the workforce does not have the skills it needs to continue to deliver public services effectively. Of this, one in five identified IT as one of the most needed skills in the public sector, following leadership and commercial.

The IT gap that respondents identified included the technical skills required to keep the lights on and push forward the ‘digital by default’ agenda, alongside in-house digital solutions.

Across Public Sector, deep management cuts have resulted in loss of strategic capacity, whilst redundancies at all levels have resulted in both a skills and labour shortage.

To add to this the reduction in training budgets coupled with a 5 year pay freeze, has left the public sector facing a lack of essential IT skills for necessary projects. Further, in order to revamp IT to foster positive change across local government, IT departments need newer skills to keep pace with the rapidly evolving technology landscape. Increasingly public sector organisations are now turning to specialist commercial organisations which can provide cost effective “on-demand” technical skills to satisfy specific short term requirements as they emerge.

Finding people with the knowledge and expertise to take an IT environment from where it is now, to where it needs

to be is hard. Furthermore, peaks and troughs in demand for general IT resourcing and for specialist skills are hard to manage from a fixed base of permanent employees, regardless of whether austerity measures are in place or not.

How can Q Associates help to bridge the skills gap?

Many public service organisations find it helpful to work with ICT companies, like Q Associates, to access additional specialist staff for projects from initial health checks and IT assessments through to the implementation and management of critical systems.

Organisations such as Q Associates invest heavily in specialist skilled staff, who are recognised as experts in their chosen field to ensure the availability of qualified, trusted individuals - appropriately skilled and fully referenced with credit, criminal record, educational, terrorism and career checks. This includes offering flexible contracts, often shorter than individual contractors would consider, and assigning a Delivery Manager to each customer to ensure objectives are met on time, within budget.

DATA BACKUP – THE WIDENING GAP

Many ICT teams would like to develop their skills by working on transformational projects. However, with an ever-growing list of business as usual work to do, and fewer people to do it, mundane yet critical tasks form a large part of an ICT department's day.

An example of this is data backup. The Data Protection Act, e-discovery legislation, credit card privacy requirements and Freedom of Information requests, amongst other compliance drivers, require a robust data protection and backup strategy to guarantee backup and recovery effectiveness across redundant sites.

Data protection is an essential component of any IT strategy however, both its architecture and the optimisation of this architecture can all too often be over-looked or de-

prioritised as virtualisation projects and new applications take precedence; despite both types of initiative driving data growth.

Virtualised workloads in particular have created more recent challenges. The public service would like to reduce the time it takes to back up and protect large data pools, along with the administration of looking after large backup data sets. This would achieve cost savings, operational efficiency and greater scalability. However many public service organisations are working in heterogeneous environments, including VMware, Hyper V and Citrix that require multiple backup products which creates technical difficulties in backup and recovery. This can lead to infrastructure failures and costly support and maintenance.

The combination of legislative changes and digital first projects are part of what's driving 60% year on year data growth. Further, this data is governed by ever more complex compliance rules around how it is kept and for how long. The result is ICT departments that are under strain, leaving many unable to **bridge the gap** between data growth rates and static backup windows.

Little wonder then that public sector organisations are reporting only a 55% success rate for recovering backed up data. Forrester (2014) stated that many organisations are missing backup windows or are slow in or fail to make data recoveries, indicating that the time is right to address backup strategy.

How can Q Associates help to bridge the data gap?

The Q Associates Assured Backup service is designed to fill the void that often occurs between the business as usual (BAU) daily operation of an enterprise backup solution and the adherence to the business requirements for why it was initially deployed and how these requirements change over time.

The service is designed around sound ITIL principles and Maturity Model operational disciplines to ensure that visibility of the effectiveness of critical data protection infrastructures is achieved, leading to higher levels of success of backup and restoration operations.

LEGACY MAINTENANCE COSTS – THE TECHNOLOGY GAP

Every year, public and private sector organisations spend about 70% of their IT budget (Information Week, 2014) on legacy software maintenance. This adds up to billions annually, resulting in stifled innovation, and IT departments under growing pressure to “keep the lights on” rather than tackling new challenges and improving processes. Escalating operating costs make it difficult for most government agencies to invest in new technology, leaving them further behind the curve each year.

Organisations left with less than a third of their IT budget to pursue new initiatives face inertia: The risk of a software modernisation project that goes over budget and under-delivers is enough to keep the government from attempting to overhaul their legacy systems.

An example is the US Air Force. Since halting its Enterprise Combat Support System initiative (an attempt to upgrade part of USAF’s dated logistics applications), they continue to maintain almost 20,000 legacy applications with no appetite to try another modernisation project. Delaying system upgrades, however, only inflates the costs of running with legacy inefficiencies and security flaws.

While it’s often said that this year’s IT investment becomes next year’s maintenance expense, it’s worth noting that most legacy applications and the languages on which they are built are not just years, but decades, old.

How can Q help?

It’s clear that the solution is to modernise, but doing so can be hard. While CIOs are often aware of the challenges posed by the presence of legacy applications, CEOs and CFOs are often unaware of the consequences of failure to update. This disconnect can lead to wasted money on contracts that fail to address the problem. For government agencies planning to update their legacy software it is imperative that organisations have the proper support for their legacy applications during transition.

Q Associates has a track record of reducing license costs whilst optimising infrastructure to ensure that public sector organisations have a compliant, cost-efficient and fit-for-purpose solution.

Case Study

Our client’s infrastructure no longer met current and future needs and required replacement. The hardware platform was end of life with last shipment dates in 2007 and the support contracts were becoming increasingly expensive. As the systems get older any replacement parts become harder to source with only refurbished parts available. The software technologies around this hardware were out of date and it was difficult to maintain staff skills. At the same time they were facing a large increase in software costs, which would impact their ability to afford the refresh of legacy hardware.

Following a half day workshop to understand the context and requirements, Q Associates ran a 5 day strategic review of the organisations systems to identify which applications were current and which were not, so as to understand actual usage.

The results showed the client that by replacing their legacy estate with the right hardware they will avoid £500,000 expenditure on licenses. Modern IT equipment also consumes much less power. In addition to the tangible cost savings, the client identified benefits of reduced risk of hardware failure and improved performance for running a higher number of increasingly data-intensive workloads.

REFERENCES

<http://www.information-age.com/it-management/risk-and-compliance/123460118/local-authority-data-protection-how-close-security-gap-keeps-giving-study>

See more at: <http://www.information-age.com/it-management/skills-training-and-leadership/123457873/it-skills-gap-identified-stretched-public-sector-staff#sthash.dCsp5qDz.dpuf>