

PSN – WHY OPTING OUT ISN'T AN OPTION

PROCURING ICT IN THE PUBLIC SECTOR? YOU SHOULD BE USING PSN

Despite pressure on budgets, public-sector organisations can't avoid the need to refresh ageing ICT networks and systems. The Public Services Network (PSN) programme has long been promoted as the model for cutting costs and improving performance. The UK government's announcements make it clear that if any organisation (council, police, fire or health) is procuring ICT outside the PSN philosophy, it needs to have a good reason for doing so. But, as Mason explains, PSN doesn't have to be onerous.

Why PSN?

Budgets are under intense pressure, and the government is increasingly concerned by inefficiencies in public sector ICT. PSN has been mandated for government departments, executive agencies and non-departmental public bodies, and the coalition's Government ICT Strategy in 2011 confirmed its intention to "push ahead with its agenda for data centre, network, software and asset consolidation".¹

This pressure is also being felt at a local level. The government wants to discourage unnecessary duplication of infrastructure and procurement costs, and the PSN concept is the mechanism for achieving regional efficiencies.

Practically, this means that any public service body looking to commission a new communications network, substantially change its existing network, or make any sizeable ICT purchase, must seek to make this procurement part of a PSN initiative.

The Cabinet Office is the lead agency for PSN, but it applies to all public-service organisations in England, with the government expecting that 80% of the public sector (circa four million users) will be using the 'PSN marketplace' by the end of 2014.² In Scotland, the McClelland Review has also recommended "a single Scottish Public Sector Network that adopts the standards and protocols of the UK PSN".³

So, what is PSN?

A PSN is a mechanism to join together public-service ICT systems, eliminate inefficiencies and reduce costs, while allowing more joint working between organisations.

According to the Cabinet office: "The PSN will create a 'network of networks' for the public sector from the existing commercial networks, and will develop a market place providing opportunities for industry, and savings for the public sector. It will drive efficiencies in procurement, through a range of technical and service standards, which will lead to an open, collaborative environment for all UK public sector employees."⁴

¹ Government ICT Strategy, published by the Cabinet Office March 2011, <http://www.cabinetoffice.gov.uk/content/government-ict-strategy>

² Source: <http://www.cabinetoffice.gov.uk/resource-library/public-services-network>, accessed on 08 November 2011

³ Review of ICT Infrastructure in the Public Sector in Scotland, page 39, John McClelland

⁴ Source: <http://www.cabinetoffice.gov.uk/resource-library/public-services-network>, accessed on 08 November 2011.



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In reality, this starts with the sharing of a common ICT infrastructure, such as data and voice networks, but also creates an environment where elements such as data centres, applications and support services can also be shared.

The aim is to generate savings of up to GBP500 million per year,⁵ delivered by aggregated demand, streamlined procurement, and innovations in ICT.

Who is leading the drive for PSN?

The PSN programme is being driven by the Cabinet Office and the Government’s Chief Information Officer (CIO), Joe Harley. The CIO Delivery Board has been set up to manage the Government’s ICT strategy, and it recently published its Strategic Implementation Plan (SIP)⁶ for the Government ICT strategy focusing on:

- **ensuring interoperability through open standards** – baseline standards have been developed since 2010, although they continue to evolve
- **encouraging suppliers to deliver PSN-compliant products** – there has already been significant engagement between the Cabinet Office and providers such as Cable & Wireless, Global Crossing, and Virgin Media
- **supporting simplified procurement vehicles for PSN services** – many PSN procurements to date have been conducted through OJEU procedures, but one of the key milestones in the SIP is the introduction of the PSN Connectivity Framework and the PSN Services Framework by September 2012.

But there is something of a split between PSN at the centre and regionally. The government has stated a desire to move away from large ICT projects that are not flexible, involving only the major suppliers, at great cost. This puts the focus very much back on regional implementation.

PSN from the centre versus regional remedies

The Cabinet Office is working towards a complete set of standards, which will define the operation of the PSN, and the framework agreements that will allow public-service organisations to buy into PSN. These documents are lengthy, complex, and continue to evolve as the requirements of more public-service organisations are incorporated.

There is a roadmap for the move from the existing connectivity services – such as the Government Secure Intranet (GSI) and the Managed Telecommunications Service (MTS) – to the PSN Programme, depicted in Figure 1.

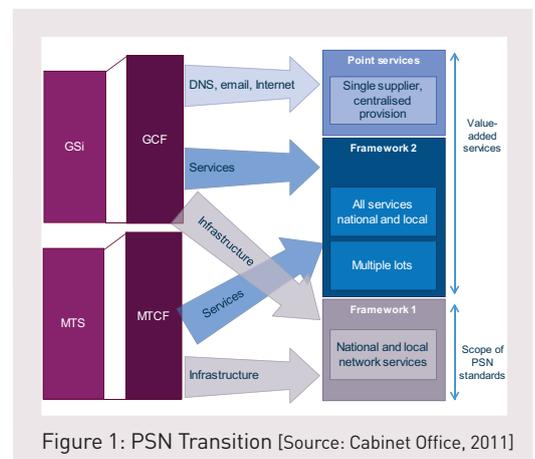


Figure 1: PSN Transition [Source: Cabinet Office, 2011]

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The SIP has stated that there will be a migration from the initial procurement vehicles – the GSi Convergence Framework (GCF) and the MTS Convergence Framework (MTCF) – to the delivery of PSN framework agreements for award in 2012 (expected by March).

But in practice, the centrally-driven strategy has yet to deliver – there is no ‘off-the-shelf’ solution. At the regional level, public-service organisations are taking the lead.

Programmes that conform to the philosophy of, and aims for, PSN include many that have been supported by Mason:

- local authorities such as Cambridgeshire and Staffordshire County Councils looking to combine networks and ICT services to other public-service organisations within their operating area (such as health, police, and fire and rescue)
- collaborative regional programmes such as the East Midlands PSN, the Pathfinder councils in Scotland, and Project Honeymoon (initiated by Northamptonshire County Council, with representatives from other local authorities, health, police, fire and central government, and the third sector to develop the Cabinet Office models into tangible designs and procedures).

These implementations are driven by the PSN benefits and are guided by Cabinet Office standards such as the codes of connection.

However, they are also influenced by real-world restrictions including organisation-specific requirements (such as higher levels of information security in police forces) and commitments to existing contracts. Indeed, the successful Public Sector Broadband Aggregation project in Wales was driven by the coincidental expiry of several health and local authority ICT network contracts at a similar time. In Scotland, the inevitable re-procurement of the NHS and Pathfinder networks – due for contract renewal in 2014 – presents a similar opportunity.

Alongside this is the prospect of using PSN assets to provide broadband to residents and businesses in areas that are poorly served by commercial providers. This can be through parallel PSN and next-generation broadband (NGB) procurements, or attempts to commercialise existing public-service infrastructure as part of an NGB project.

Broadband Delivery UK – which is providing GBP530 million of funding for such intervention projects – is expecting use of public sector assets as part of local broadband plans. This is not mandated, and, in reality, public sector asset use did not make a major appearance in the Spring 2011 funding applications. But it is expected that future applications with PSN in mind would be evaluated favourably.

But in practice, the centrally-driven strategy has yet to deliver – there is no ‘off-the-shelf’ solution. At the regional level, public-service organisations are taking the lead.

⁵ Source: <http://www.cabinetoffice.gov.uk/resource-library/public-services-network>, accessed on 08 November 2011

⁶ Government ICT Strategy – Strategic Implementation Plan: moving from the ‘what’ to the ‘how’, HM Government, 27 October 2011

Should you be part of PSN?

Having worked with the central PSN initiative, local/regional schemes, and individual public-service organisations, we believe we have gained a unique insight into the PSN, and can strike the balance between central PSN standards and regional practicalities.

- **Keep abreast of the PSN Programme** as it enters a crucial phase in 2012 – sign up for information and stay up to date (the Cabinet Office is not driving communication).
- **And be aware that regional initiatives are also driving the development of PSN** – learn the lessons from other organisations’ implementations.
- **Check the Cabinet Office PSN timetable**, and plot your ICT programmes against it.
- **Consider the business case** articulated in the Cabinet Office PSN Commercial Strategy – the benefits are clear.
- **Test your suppliers** – are they ready for PSN? If not, how are they preparing?
- **Sound out potential partners** – is there an appetite for shared services in your region?
- **Consider the procurement options** – will the PSN frameworks fit in with your contract deadlines?
- **Make sure there is a clear and realistic statement of requirements for each partner** – otherwise procurement can be problematic, with suppliers proposing an all-encompassing service catalogues.
- **Consider the security implications** of PSN for your organisation at the very start, not once a programme is up and running.
- **Assess the opportunities around NGB** – are there existing or planned programmes that could have an impact on your PSN? Will there be legal issues around this (such as EC State aid)?
- **Understand what PSN compliance really means** – standards will continue to evolve, and there is uncertainty about accreditation and the burden on individual authorities.
- **Be clear about governance** from the start when developing PSN initiatives with partners – it is vital to articulate clear principles for working governance (e.g. who pays for what), and to secure commitment ahead of choosing a supplier.
- **PSN needn’t be onerous** – but you do need to be up to speed about the latest developments in what is a fast-changing marketplace.

About Mason

If you are looking for PSN strategy assistance, are in a procurement cycle, or are about to enter one, contact us for independent, up-to-date advice. Mason, a division of Analysys Mason Limited, is in a unique position to support public-sector organisations in their PSN initiatives. We have a proven track record of developing voice and data strategies, specifying and procuring ICT networks and systems, and assisting in the implementation of these technologies. We are also engaged with the government PSN initiative and have practical experience of PSN implementations.

Contact us

If you would like to discuss how we can support you please email contact@mason.biz or call +44 (0)845 600 5244.