

UK Public Sector: Why the Journey to the Cloud is like Pizza

SURVEY REPORT 2019

Survey Partners

FUJITSU



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Foreword

by Patrick Stephenson, Client Managing Director Central and Local Government, Fujitsu UK & Ireland

Looking at the title and cover of this report you might well ask yourself what on Earth cloud has got to do with eating pizza. Bear with me for a minute.

When it comes to cloud, from our experience the whole is greater than the parts. For example, when you're eating a pizza and you take out the first slice, it doesn't matter how well it's been cut, there are bits of pizza still connected to what remains. Stringy bits of mozzarella cling on to adjacent segments. Olives and other loosely attached toppings fall off. Things aren't that simple and that's what our clients are finding when it comes to extracting applications and moving them to cloud.

Let's say that the first two or three slices represent 30% of your IT workload. You could probably get it to the cloud but may experience some complexity integrating services and shared data. You're then left with the complexity and cost of maintaining what is left and what hasn't been migrated to cloud. In our experience 50% of the workloads that are left have multiple security requirements and service levels attached to them, resulting in challenges around the security of data and latency.

This is where the public cloud vendors including Amazon Web Services, Microsoft and Oracle are now turning to traditional Systems Integrators like Fujitsu. We have the expertise and knowledge to simplify infrastructure and move them to the cloud.

Sometimes, due to the complexities of government this isn't a one-off step. You need a stepping stone. This is why Fujitsu is working with Amazon Web Services, Microsoft, Oracle, VMware as well as Crown Hosting.

Due to this multi-staged, transitional journey we're also finding there is a need for multi-cloud management. Few organisations set out on a hybrid strategy, preferring to limit their number of suppliers. But whether your cloud lies on premise, is hosted through a 3rd party or is already public, what matters is maintaining the end services from the user's perspective. The panacea is that in the future you'll be able to move workloads to the lowest cost base at the click of a mouse.

And let's not forget the 20% that's left – that no one wants. At this moment in time organisations are left with large legacy systems that are uneconomical and too complicated or risky to move. This is where Fujitsu can help you plan your remaining strategy to modernise or re-platform these systems into the public cloud. You have to think about the whole and design it optimally otherwise you'll replicate what was a complex and expensive environment, only in the public cloud and your total costs could go up.





INTRODUCTION

Ever since the government first announced the Cloud First policy, organisations across the public sector have been encouraged to consider and evaluate cloud-based solutions before looking at more traditional options. This approach was made mandatory for organisations that sit within central government and strongly recommended for organisations across the wider public sector.

The need for organisations to increase the efficiency of their IT infrastructures, as well as the ongoing requirement to reduce operating costs continues to top the list of priorities, but given the technology now available, it could be time for the public sector to re-focus on searching for and implementing cloud-based solutions.

In 2017, iGov Survey research found that more than half of surveyed public sector organisations had only partially adopted cloud, whilst just 5% of respondents said they had a fully optimised cloud solution in

place. Meanwhile, though over half considered G-Cloud along with other procurement options, only 8% procured all their solutions this way and a fifth of respondents said that they weren't taking a 'Cloud First' approach to procurement at all. This showed that despite government policy, a number of organisations across the wider public sector were either unable or unwilling to prioritise cloud adoption.

But why is this the case? According to research carried out by Gartner, the adoption of cloud across government is expected to accelerate by 2021. Despite this however, significant concerns around security, data protection, vendor lock in and the usability of features remain.

However, the ever-constant advances in technology will put increasing pressure on public sector organisations to transform their processes and fully integrate cloud services.

1. <https://www.gartner.com/smarterwithgartner/understanding-cloud-adoption-in-government/>

Last year, the government rolled out G-Cloud 10, and with more suppliers on the framework than any of its predecessors, public sector organisations are now able to procure a wider variety of cloud services than ever before from a single, central website.

As the pressure for public sector to modernise grows, iGov partnered with leading technology provider, Fujitsu, to examine the current state of cloud adoption across the sector.

Specifically, we considered:

- The top priorities for organisations regarding their digital transformation strategies
- The key drivers and barriers to public sector cloud adoption
- Cloud services already being used in the public sector
- The benefits of working with external service providers when implementing Cloud solutions

ABOUT FUJITSU

As a strategic supplier to government for over forty years, Fujitsu is a global IT company offering a complete range of products, services, solutions. From critical national infrastructure helping to protect the UK and its borders to digital policing and transformation, AI, IoT, Cloud and Security, Fujitsu is helping departments, agencies and authorities to make a difference to peoples' lives. As a responsible business with a 5* rating in Business in the Community's Corporate Responsibility Index, we are also proud to work alongside our charity partner Autistica. For more information visit www.fujitsu.com/uk



SURVEY METHODOLOGIES AND RESPONDENTS' PROFILE

The survey was conducted by iGov Survey in partnership with Fujitsu. The project ran from Wednesday 5 December 2018 to Thursday 17 January 2019.

Survey respondents represented a broad cross-section of roles across the public sector. This included: Architect, Business Development, Chief Executive, Commissioning, Computer Security, Customer Services, Digital, Engineer, Environment, Facilities and Estates, Finance Management, Governance, Health and Safety, Human Resources, Information, IT Management, Marketing Communications, Modernisation, Operations, Procurement/Purchasing,

Programme Management, Project, Research, Senior Manager, Service Delivery, Strategy, Training, and Transformation/Change Management.

114 individuals took part in our survey, representing 108 unique organisations across the public sector. There was no inducement to take part in the survey, and Fujitsu was not introduced as the survey partner. The results displayed throughout this report are based on those who fully completed the questionnaire and are displayed as a percentage of this group, unless explicitly stated otherwise.

KEY FINDINGS

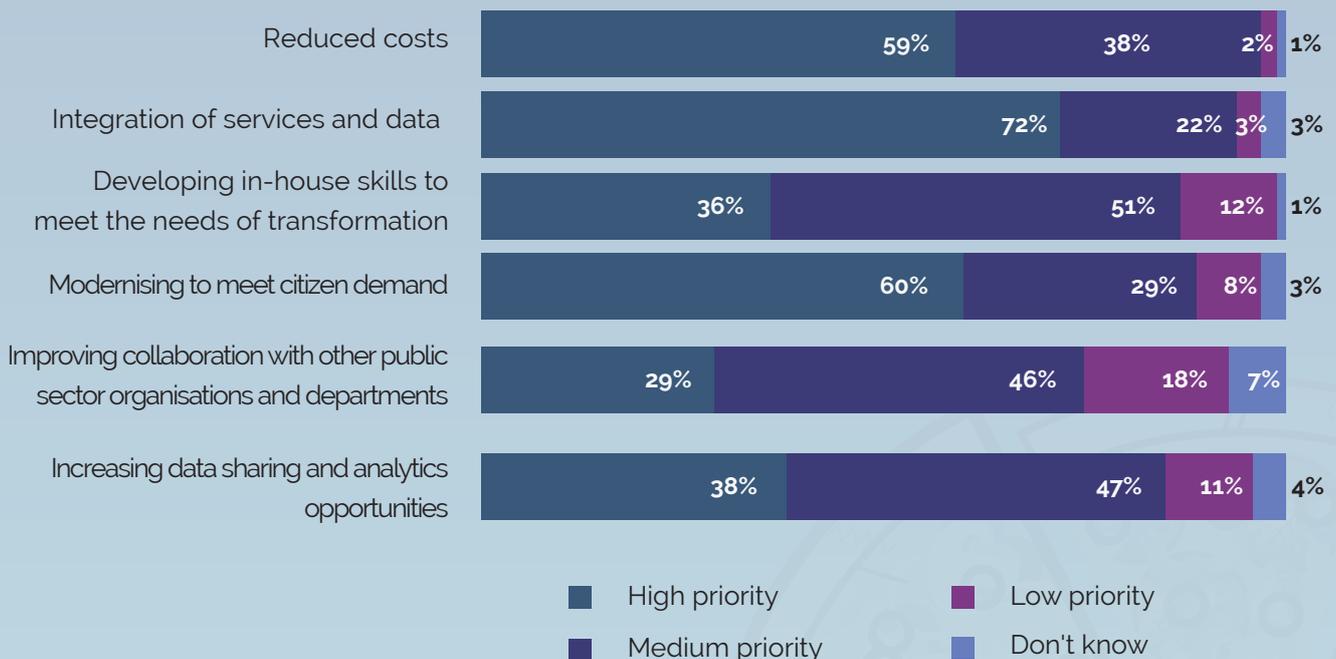
1 Successful integration of services and data is seen as a top priority for organisations considering new transformation strategies

The digital drive is unquestioned, yet the reasons behind it vary. Interestingly, a number are significantly prominent - almost three-quarters (72%) state the integration of services and data is a top priority, closely followed by the need to modernise and meet citizen demand (60%) and reduce costs (59%).

It is interesting and perhaps encouraging to see that reducing costs, whilst still a key priority for many, is not as high a priority as modernising to meet demand or the integration of services and data. This reinforces the fact that there is a renewed focus across the public sector on improving digitisation.

Figure 1:

When considering new technologies and transformation strategies, which of the following are top priorities for your organisation?



Importantly, as organisations collect larger amounts of data and use this intelligently for service delivery, it is encouraging to see that 85% are prioritising increased data sharing and analytics opportunities, with only 11% considering this as a low priority. This shows us that the majority of

organisations in the public sector are aware of the need to use their data more effectively. Achieving this could result in benefits such as faster response times, better and more personalised customer services as well as greater collaboration between public sector organisations.

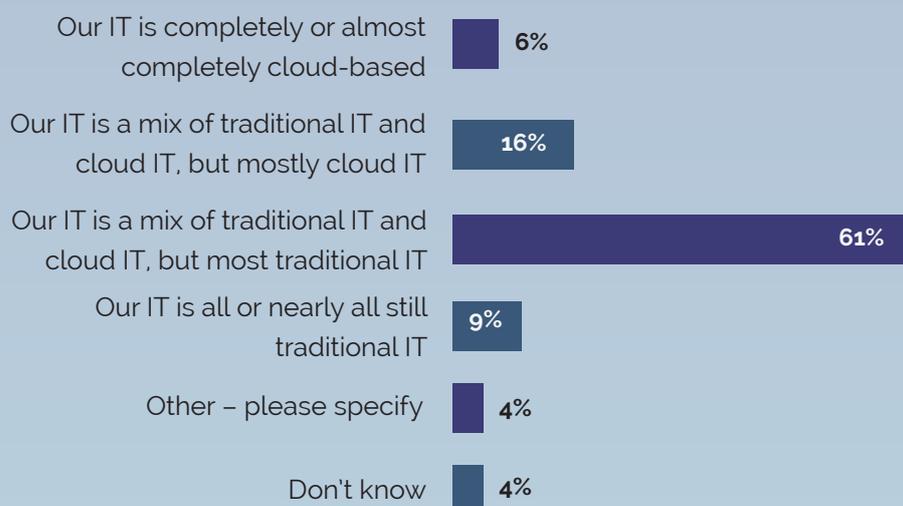
2 The majority of organisations are still using traditional IT to some extent

Despite government policy strongly advocating the move to the cloud, many organisations still find themselves relying on more traditional IT infrastructures to at least some degree. Almost two thirds

(61%) report that although cloud services are being used in their organisation, traditional methods still remain, with only 6% of participants stating that their organisation's infrastructure is completely cloud-based.

Figure 2:

Thinking about cloud technology and its role in transforming public services, to what extent is your organisation embracing cloud?

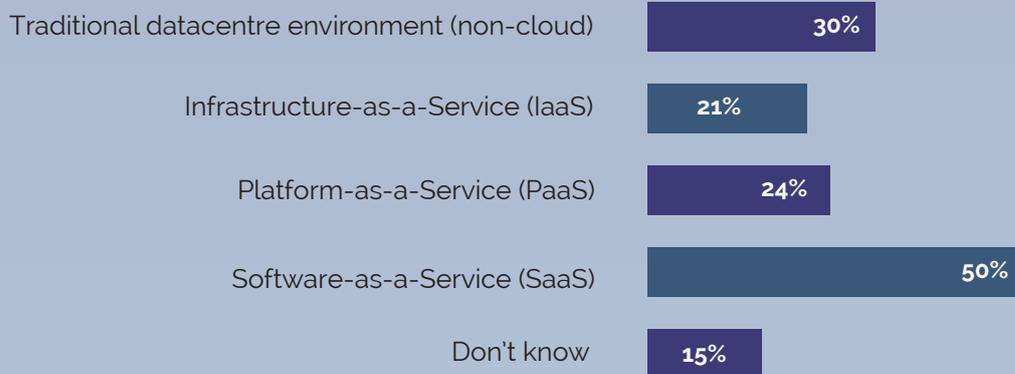


The cloud service most commonly used is Software as-a-Service (SaaS), with half of participants stating that their organisation is using this service. This could be because of the ease of implementing SaaS, as well as the fact that implementation doesn't require large

up-front investments. Interestingly, 30% of respondents said that their organisations are still using traditional on-site data centres. The costs involved in keeping these centres could also be holding organisations back from adopting cloud.

Figure 3:

Which of these best describes the cloud services your organisation mostly uses currently?



3 The costs involved in upgrading IT infrastructure is still a major concern for public sector organisations

Almost three-quarters of respondents (72%) said improving operational efficiency is the main driver for their overall cloud strategy. This is followed closely by improving scalability and flexibility (69%), modernising and future proofing services

(65%) and increasing agility and ability to respond to events (63%). This seems to show that there are many strong drivers in play for organisations in terms of implementing their cloud strategies.

Figure 4:

In your opinion, what are the biggest drivers for your cloud strategy? Please tick all that apply.

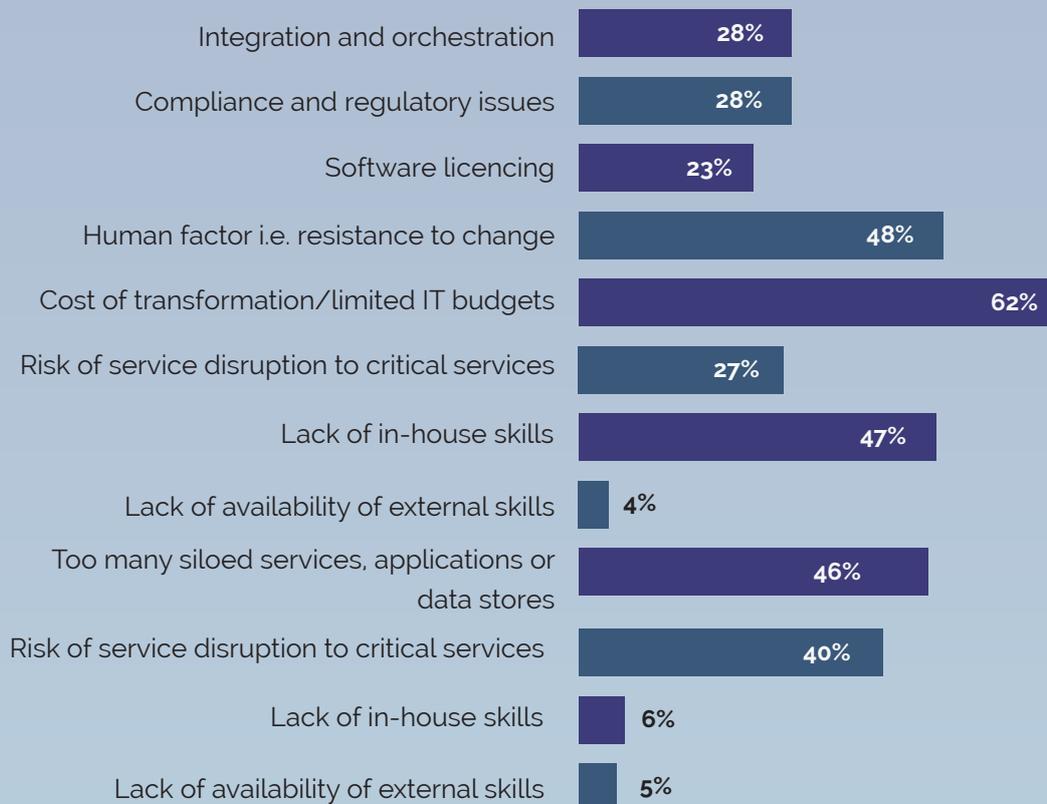


Considering the barriers affecting cloud adoption, the cost of transformation (or limited IT budgets) has been cited as the largest challenge (62%). Human factors are also a significant issue across the

sector; almost half note that cultural resistance to change is affecting adoption (48%) alongside a lack of necessary in-house skills to implement their strategy successfully (47%).

Figure 5:

In contrast, what do you consider to be the greatest barriers to your organisation's Cloud strategy? Please tick all that apply.



If we consider the drivers and barriers as a whole, it is interesting to note that there isn't one single stand-out key driver pushing organisations towards cloud adoption, with four key drivers being cited by more than 60% of respondents. This shows us that across the public sector, organisations have

different reasons for pursuing cloud technology. However, cost seems to be a clear barrier common to most organisations. This suggests that while many have the desire to look for and implement cloud solutions, they are held back by lack of budget, perhaps in part due to maintaining legacy infrastructures.

4 Only 36% of participants consider developing in-house skills to meet the needs of transformation to be a high priority

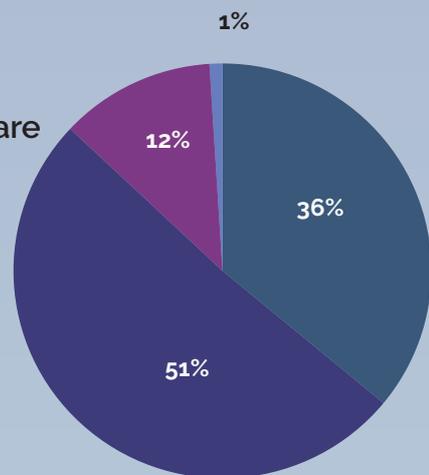
Interestingly, looking at the use of third parties and a lack of in-house skills - just 36% of participants say developing in-house skills to meet the needs of transformation is a top priority, and when it comes to cloud, this doesn't seem to be a significant concern. Whilst 47% state

it's a barrier to cloud strategies, just 4% feel there wasn't enough external support, and nearly two-thirds rely on external providers due to their experience improving the likelihood of success (61%) and the provision of essential skills that participants wouldn't otherwise have (69%).

Figure 6:

When considering new technologies and transformation strategies, which of the following are top priorities for your organisation? Answer: Developing in-house skills to meet the needs of transformation

- High priority
- Low priority
- Medium priority
- Don't know



It seems that there is also a lack of awareness of newer developments in cloud – less than half are looking to the tech to help improve cyber/information security, despite vast improvements that largely result in increased security (42%). In fact, 40% are still concerned about data security. The issue of data security has historically been a worry for many

organisations, especially in light of recent cyber-attacks, coupled with the introduction of new data regulations. However, due to ever-advancing technology and improvements in cloud security, cloud migration is increasingly being seen as a benefit, compared to maintaining cyber skills in-house alongside separate data centre costs.

Figure 7:

What do you believe to be the biggest benefits of working with external service providers to implement your organisation's cloud strategy? Please tick all that apply.



5 36% say they don't know the procurement approach taken by their organisation

Uncertainty is an important factor which could be holding organisations back from making full use of the technology at their disposal. Almost one in five (18%) say that they don't know their organisation's preferred strategy for transforming applications and workloads.

Meanwhile, more than a third say that they don't know how their organisation procures cloud services. Of those that do know, the most common cloud procurement approaches are G-Cloud (34%) and OJEU Procurement (33%), with almost a quarter (23%) currently using Crown Hosting Services.

Figure 8:

When transforming applications and workloads to new cloud environments, which of the following would you use as your primary strategy?

- We would not make any changes, effectively performing a "lift and shift" of the applications/workloads
- We would make minor changes to applications/workloads
- We would re-write the applications/workloads from scratch specifically for the new cloud environment
- Other – please specify
- Don't know

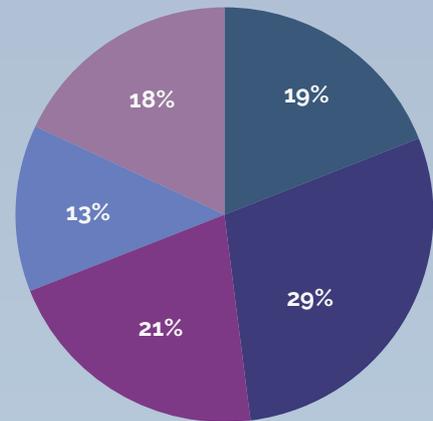
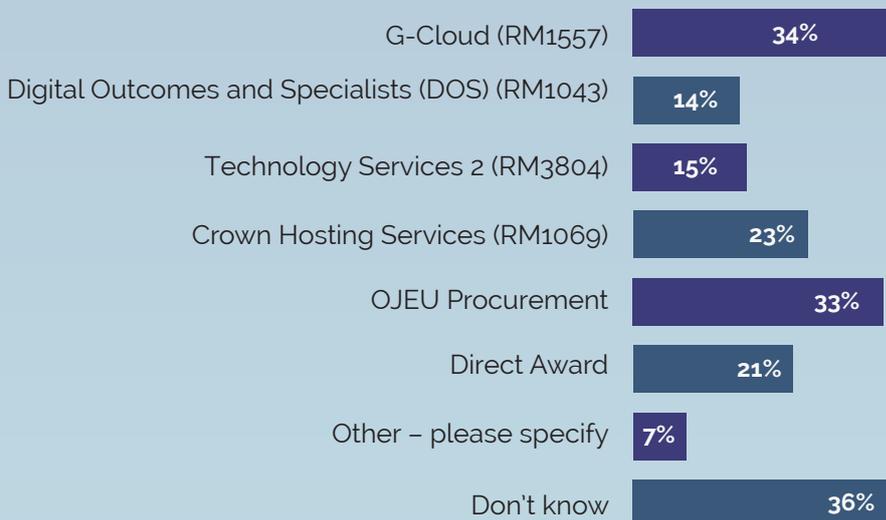


Figure 9:

In procuring cloud services, what are your preferred routes for award cloud contracts? Please tick all that apply.

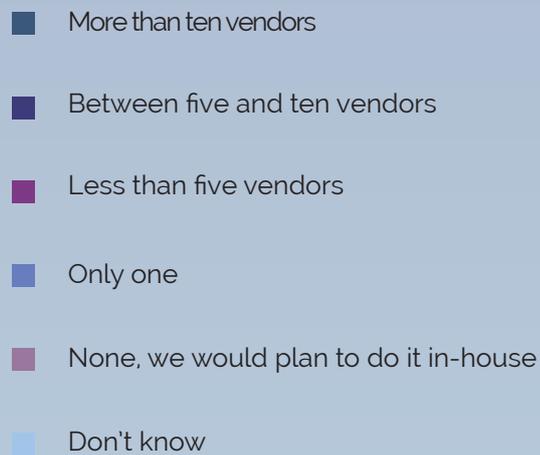


Most respondents expect to be using a small number of vendors, with 49% saying they expect to use fewer than five vendors. 8% say that they only plan to work with one vendor to help them

achieve their cloud strategy. This is interesting when considering the reliance on SaaS solutions as procuring each separate service will inevitably increase the risk of using multiple vendors.

Figure 10:

In implementing your strategy for each of the platforms above or moving your traditional IT, how many cloud vendors would you expect to work with?





APPENDIX 1: SURVEY QUESTIONS

Grid

When considering new technologies and transformation strategies, which of the following are top priorities for your organisation?

Question

Reduced costs

Answer	Percent
High priority	59%
Medium priority	38%
Low priority	2%
Don't know	1%

Question

Integration of services and data

Answer	Percent
High priority	72%
Medium priority	22%
Low priority	3%
Don't know	3%

Question

Developing in-house skills to meet the needs of transformation

Answer	Percent
High priority	36%
Medium priority	51%
Low priority	12%
Don't know	1%

Question

Modernising to meet citizen demand

Answer	Percent
High priority	60%
Medium priority	29%
Low priority	8%
Don't know	3%

Question

Improving collaboration with other public sector organisations and departments

Answer	Percent
High priority	29%
Medium priority	46%
Low priority	18%
Don't know	7%

Question

Increasing data sharing and analytics opportunities

Answer	Percent
High priority	38%
Medium priority	47%
Low priority	11%
Don't know	4%

Question

Thinking about Cloud technology and its role in transforming public services, to what extent is your organisation embracing Cloud?

Answer	Percent
Our IT is completely or almost completely cloud based	6%
Our IT is a mix of traditional IT and Cloud IT , but mostly Cloud IT	16%
Our IT is a mix of traditional IT and Cloud IT , but mostly traditional IT	61%
Our IT is all or nearly all still traditional IT	9%
Other - please specify	4%
Don't know	4%

Question

Which of these best describes the Cloud services your organisation mostly uses currently?

Answer	Percent
Traditional datacentre environment (non-cloud)	30%
Infrastructure as a Service (IaaS)	21%
Platform as a Service (PaaS)	24%
Software as a Service (SaaS)	50%
Don't know	15%

Question

Thinking about the Cloud services you currently use, are they primarily:

Answer	Percent
Public	16%
Private	37%
A combination of both	35%
Other - please specify	1%
Don't know	11%

Question

In your opinion, what are the biggest drivers for your Cloud strategy? Please tick all that apply.

Answer	Percent
Improve sourcing flexibility	26%
Increase organisation agility and ability to respond to events	63%
To modernise and future-proof public services	65%
Control IT Spend	37%
Improve scalability and flexibility	69%
Improve cyber/information security	42%
Improving operational efficiency	72%
Other - please specify	5%
Don't know	7%

Question

In contrast, what do you consider to be the greatest barriers to your organisation's Cloud strategy? Please tick all that apply.

Answer	Percent
Integration and orchestration	28%
Compliance and regulatory issues	28%
Software licencing	23%
Human factor i.e. resistance to change	48%
Cost of transformation/limited IT budgets	62%
Risk of service disruption to critical services	27%
Lack of in-house skills	47%
Lack of availability of external skills	4%
Too many siloed services, applications or data stores	46%
Concern over data/cybersecurity	40%
Other - please specify	6%
Don't know	5%

Question

When transforming applications and workloads to new Cloud environments, which of the following would you use as your primary strategies?

Answer	Percent
We would not make any changes effectively performing a "lift and shift" of the applications/workloads	19%
We would make minor changes to applications/workloads	29%
We would re-write the applications/workloads from scratch specifically for the new Cloud environment	21%
Other - please specify	13%
Don't know	18%

Question

How does your organisation avoid vendor lock in when writing or re-writing applications/workloads for the new Cloud environment?

Answer	Percent
We use open source infrastructure/platform technology (e.g. Containers, OpenStack)	21%
We use tools that abstract management from the underlying Cloud infrastructure	21%
We are not concerned about the risk	4%
We accept lock in as inevitable	17%
Other - please specify	12%
Don't know	25%

Question

How does your organisation avoid vendor lock in when writing or re-writing applications/workloads for the new Cloud environment?

Answer	Percent
Retain traditional datacentre environment (Non-Cloud)	25%
On premise private Infrastructure-as-a-Service (IaaS)	13%
Hosted private IaaS	20%
Public IaaS	17%
Private Platform-as-a-Service (PaaS)	19%
Public PaaS	19%
Private Software-as-a-Service (SaaS)	28%
Public SaaS	30%
Other - please specify	1%
Don't know	26%

Question

In implementing your strategy for each of the platforms above or moving your traditional IT, how many Cloud vendors would you expect to work with?

Answer	Percent
More than ten vendors	4%
Between five and ten vendors	13%
Less than five vendors	49%
Only one	8%
None, we would plan to do it in-house	4%
Don't know	22%

Question

What do you believe to be the biggest benefits of working with external service providers to implement your organisation's Cloud strategy? Please tick all that apply.

Answer	Percent
Experience to improve speed and the likely success of digital transformation	61%
Providing IT as a Service to help avoid large upfront investment and capital spending	43%
Essential skills that we wouldn't otherwise have for our Cloud strategy to be successful	69%
Other - please specify	3%>
Don't know	11%

Question

In procuring Cloud services, what are our preferred routes for awarding Cloud contracts? Please tick all that apply.

Answer	Percent
G-Cloud (RM1557)	34%
Digital Outcomes and Specialists (DOS) (RM1043)	14%
Technology Services 2 (RM3804)	15%
Crown Hosting Services (RM1069)	23%
OJEU Procurement	33%
Direct Award	21%
Other - please specify	7%
Don't know	36%

Question

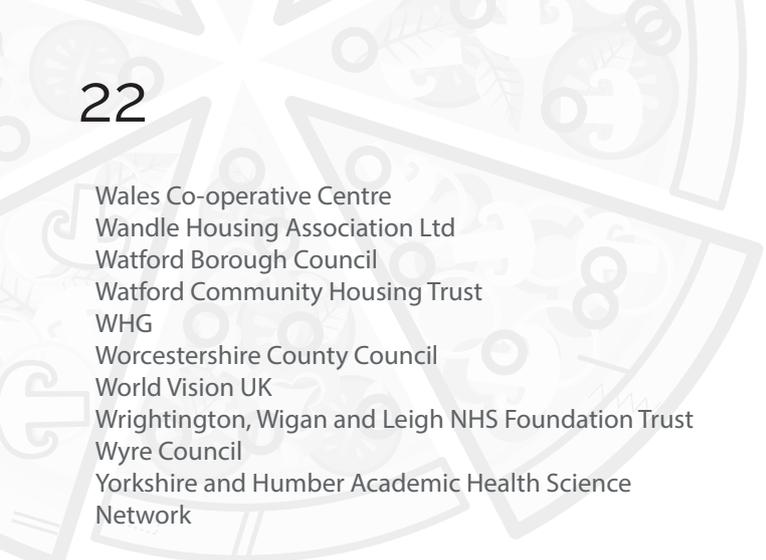
Are you aware of the Crown Hosting Data Centres, the Government framework which enables Cloud transformation?

Answer	Percent
Yes	49%
No	51%



APPENDIX 2: PARTICIPATING ORGANISATIONS

All Saints Catholic School and Technology College
 Ashfield Comprehensive School
 Ashford and St Peter's Hospitals NHS Foundation Trust
 Association for Science Education
 Autism Initiatives UK
 Aylesbury Vale District Council
 Bield Housing Association
 Birmingham City Council
 Birmingham City University
 Birmingham Community Healthcare NHS Foundation Trust
 Blackburn with Darwen Borough Council
 Blackpool and the Fylde College
 Bloodwise
 Bolsover District Council
 Braintree District Council
 Brentwood Borough Council
 British Council
 British Institute for Brain Injured Children
 Cambridgeshire and Peterborough NHS Foundation Trust
 Carmarthenshire County Council
 Causeway Coast and Glens District Council
 Central College Nottingham
 Central Procurement Directorate
 Chiltern District Council
 City of Bradford Metropolitan District Council
 Clackmannanshire Council
 Contact the Elderly
 Conwy County Borough Council
 County Durham Housing Group
 Craven District Council
 De Montfort University
 Defence Academy of the United Kingdom
 Department for Environment Food and Rural Affairs
 Dundee and Angus College
 East Cheshire NHS Trust
 East Sussex Fire and Rescue Service
 Edinburgh College
 Elmbridge Borough Council
 Embrace the Middle East
 English National Ballet
 Epsom and Ewell Borough Council
 Gloucester City Council
 Gloucester City Homes
 Gloucestershire County Council
 Govanhill Housing Association
 Government Legal Department
 Grand Union Housing Group
 Greater London Authority
 Greater Manchester Police
 Hands Around The World
 Healthcare Quality Improvement Partnership
 Highways England
 Historic Environment Scotland
 Home Office
 Homes for Haringey
 King's College Hospital NHS Foundation Trust
 Lewisham and Greenwich NHS Trust
 London North West University Healthcare NHS Trust
 Maidstone Borough Council
 Met Office
 Mid and West Wales Fire and Rescue Service
 Milnbank Housing Association
 Milton Keynes Council
 Myerscough College
 National Records of Scotland
 Natural England
 Newman University
 NHS England
 NHS Guildford and Waverley CCG
 NHS Hounslow CCG
 NHS North West Surrey CCG
 NHS Southwark CCG
 NHS West Hampshire CCG
 North Lincolnshire Council
 North of England Commissioning Support Unit
 North Yorkshire Fire and Rescue Service
 Ofwat
 Optivo
 Oxford City Council
 Places for People Group
 Plymouth Hospitals NHS Trust
 Provide
 Public Health England
 RHP Group
 Shropshire Council
 Skills for Logistics
 South Kesteven District Council
 South Lanarkshire College
 South Somerset District Council
 South Tyneside Homes
 South Ulster Housing Association
 Southampton Solent University
 STAGETEXT
 Suffolk Coastal District Council
 Surrey County Council
 Tameside Metropolitan Borough Council
 Tees, Esk and Wear Valleys NHS Foundation Trust
 The British Library
 The Electoral Commission
 The Fostering Network
 The Health Informatics Service NHS
 The Leeds Teaching Hospitals NHS Trust
 The Mid Yorkshire Hospitals NHS Trust
 The Pensions Regulator
 The University of Nottingham
 The West of England School and College
 Thrive Homes
 Together Trust
 Torbay and South Devon NHS Foundation Trust
 Tourism Ireland
 Turning Point Scotland
 United Response
 University Hospital Southampton NHS Foundation Trust
 University Hospitals of Leicester NHS Trust
 University of Aberdeen
 University of Brighton
 University of Leeds
 University of Strathclyde
 Valleys to Coast Housing
 Vehicle Certification Agency



Wales Co-operative Centre
Wandle Housing Association Ltd
Watford Borough Council
Watford Community Housing Trust
WHG
Worcestershire County Council
World Vision UK
Wrightington, Wigan and Leigh NHS Foundation Trust
Wyre Council
Yorkshire and Humber Academic Health Science
Network

ACKNOWLEDGEMENTS

The survey team at iGov Survey would like to take this opportunity to thank all of those who were kind enough to take part – and especially to those who found the time to offer additional insights through their extra comments. We would also like to thank our partners, Fujitus, for their assistance in compiling the survey questions, scrutinising the responses, and analysing the results.

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The logo for iGov Survey, featuring the word "iGOV" in white lowercase letters on a blue rectangular background, followed by the word "survey" in a black, lowercase, sans-serif font. The logo is positioned above a large, faint, stylized graphic of a pizza with various toppings and icons.



iGOV survey

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