DRIVING VALUE FOR MONEY IN IT (INFORMATION TECHNOLOGY)

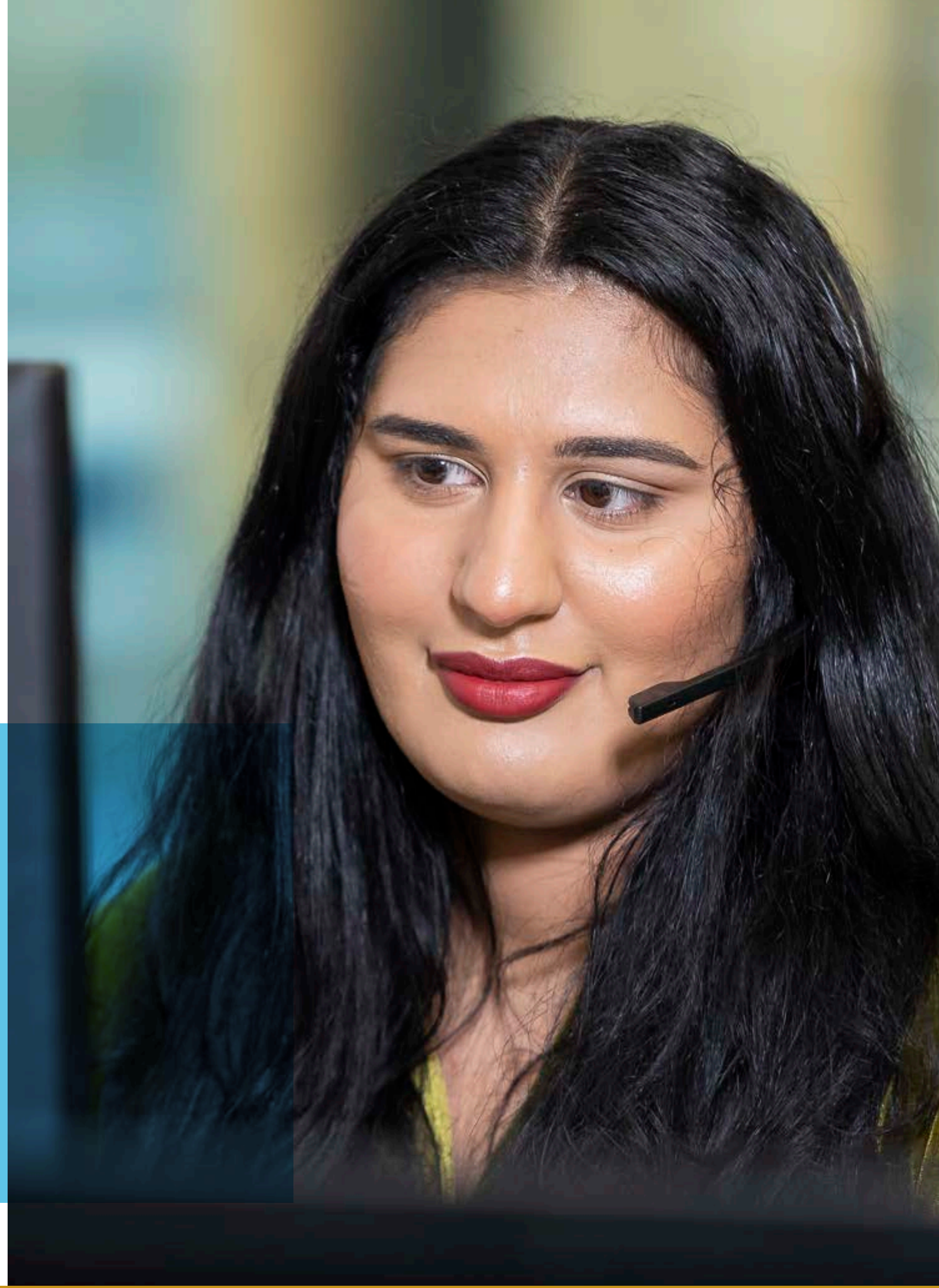
CASE STUDIES **2025/26**

OVERVIEW

A key pillar of Midland Heart's IT strategy is to deliver value for money and social value through system consolidation and optimisation.

With this in mind, throughout 2025 our IT department achieved substantial system and financial efficiencies by collaborating with partners and suppliers to maximise the utility of existing systems and contracts, while also optimising system performance and negotiating cost reductions.

All value generated translates into tangible savings for Midland Heart, enabling reinvestment into the delivery of essential services for our tenants.



KEY INITIATIVES

As part of our value for money drive, there are six key highlights and initiatives which have made a difference:

Network Replacement

Midland Heart provides network connectivity for a diverse range of sites, from small one-person schemes, to large corporate offices and a remote workforce. In 2020, we entered a 5-year contract with ANS to deliver these services. Over the years, we have expanded our network to include new sites and provisions, such as digital CCTV.

Cyber Insurance Renewal

By enhancing our organisation's cyber resilience and achieving national certifications such as Cyber Essentials and Cyber Essentials Plus, we secured a 33% saving on our primary and secondary cyber insurance renewal - reducing costs from £44,800, while maintaining £5 million of coverage on both layers.

Although other providers offered lower costs, their reduced coverage was not suitable, and our broker, Price-Forbes, successfully negotiated these savings with no loss of policy quality - reflecting their expertise and the increased confidence of external insurers in our cyber security.

Outsystems Renewal

Reviewing and adjusting the Outsystems solution for Customer App Connect 360 led to significant savings by reducing environments and aligning licence numbers with the Strategic Disposals strategy.

Backup Tool Replacement

We collaborated with our backup providers Veeam to enhance our backup services, focusing on aligning with the corporate plan and ensuring cost-effectiveness. These included streamlining the backup solution to the Cloud to reduce data consumption costs, replacing immutable backups from AWS S3 with Veeam storage for cost savings, providing additional immutability for on-premise backups, and migrating to universal licensing to support future cloud migrations and simplify license renewals.

Disaster Recovery Renewal

During the course of a dedicated project, we undertook a comprehensive review of our Disaster Recovery solution. This involved both a thorough assessment of our existing setup and exploration of potential new technologies, with the aim of achieving cost reductions.

Following a rigorous tender process, it was determined that our current provider and solution remained well-suited to Midland Heart's requirements. Importantly, we were able to negotiate a reduction of approximately 30% in annual expenditure with the same supplier, thereby delivering significant savings without compromising on service quality.

Microsoft Licence Renewal

The previous Enterprise licence expired in March 2025. Over the past three years since the last renewal, Microsoft has increased the overall cost of licences twice, by 8% and 5%, resulting in a potential additional annual expense of approximately £67,000. However, through a comprehensive licence review and further negotiations with our suppliers, we successfully ensured that the renewal remained cost-neutral. Additionally, as part of these negotiations, we secured a three-year subscription to the reporting tool Quantum (typically a paid product) which will enable us to conduct more in-depth usage analysis.

Our tenant impact

These six areas highlighted help to showcase how they directly, or indirectly, impact our tenants.

More than anything, any financial savings we make allow for reinvestment in other essential areas, facilities or services which directly benefit our tenants. Meanwhile, efficient use of technology and resources help to maintain affordable and reliable services across the business.

Overall, we see that emphasising continual improvement and collaborative innovation will help sustain efficiencies and deliver long-term value for tenants and the broader organisation.

THE FINANCIAL IMPACT

Total financials per year

	Current Approx. Annual Value (Inc VAT)	Proposed New Annual Value (Inc VAT)	Savings p/a (Inc VAT)
Network Replacement	£578,539	£383,960	£195,578
Cyber Insurance Renewal	£135,000	£90,600	£44,800
Outsystems Renewal	£489,450	£457,272	£32,178
Backup Tool Replacement	£86,400	£50,400	£36,000
Disaster Recover Renewal	£179292	£124129	£55,163

The total savings which have been realised over 25/26 and 26/27 total £363,719 inc VAT

OUR NEXT STEPS...

We are committed to continuing our value for money drive throughout the life of our new corporate plan, with three key next steps:

Supplier agreements

We will continue to regularly review supplier agreements by conducting scheduled evaluations of existing contracts to identify further opportunities for cost reduction or service improvements.

Monitor and report outcomes transparently

We will track the impact of IT optimisations on service quality and financial performance, sharing measurable results across the organisation and with stakeholders.

Further explore green IT solutions

We will assess options for environmentally sustainable technologies, supporting both cost savings and the organisation's commitment to social responsibility.

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