For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
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Item No.10

REPORT AUTHOR:	**HEAD OF ICT & IMPROVEMENT**
SUBJECT:	**ANNUAL REVIEW OF THE OPERATION OF THE ICT SHARED SERVICE AGREEMENT**

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Background Papers:

ICT Shared Service Governance Board Schedule 4 Agreement (Appendix A)

Implications (tick ✓):

LEGAL	✓		FINANCIAL	✓
HUMAN RESOURCES			EQUALITY IMPACT	
ENVIRONMENTAL			POLICY	
CORPORATE RISK	Known	✓	OTHER (please specify)	
	New		CORE BRIEF	

Any implications affecting this report are noted at the end of the report.

PURPOSE

To report the outcome of the annual review of the operation of the ICT Shared Service Agreement (Schedule 4) for the period 01 April 2015 to 31 March 2016, undertaken by the Head of ICT BFRS, Head of ICT CFRS and ICT Shared Service Manager.

RECOMMENDATION

That Members consider the outcomes of the third annual review of the operation of the ICT Shared Service Agreement and note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus and the need to review the structure and capacity of the function.

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1. **Background of the ICT Shared Service**

1.1   On 22 October 2013 Bedfordshire Fire and Rescue Authority authorised the completion of an ICT Shared Service Agreement for a term of five years. This agreement was made on 31 October 2013, included establishing an ICT Shared Service Governance Board to provide oversight and management control of the services delivered to both Bedfordshire Fire & Rescue Service (BFRS) and Cambridgeshire Fire & Rescue Service (CFRS).

1.2   The ICT Shared Service Governance Board meets on a monthly basis to consider and oversee the quality and delivery of services, consider prioritisation and new work streams. The Board consists of Assistant Chief Officer (BFRS), Deputy Chief Executive (CFRS) and Head of ICT from both services as well as ICT Shared Service Delivery Manager.

2. **ICT Shared Service Agreement and Review**

2.1   The ICT Shared Service Agreement sets out the scope of the service and includes amongst others the arrangements for accommodation, an asset register, costs and liabilities, insurance, staffing, finance and intellectual property.

2.2   The Agreement requires the establishment of an ICT Shared Service Governance Board and Schedule 4 of the Agreement sets out the functions and powers of the Board. A copy of Schedule 4 to the Agreement is shown at Appendix A.

2.3   Schedule 4 also requires that an annual review of the operation of the Agreement is carried out. The review is passed to the ICT Shared Service Governance Board and subsequently reported to the structures in each Fire and Rescue Authority accordingly.

2.4   The ICT Shared Service Governance Board established the first of such reviews covering the period 31 March 2014 to 1 April 2015 which followed the ICT Shared Service from its transition phase under the governance of the Board and through its first year of operation.

2.5   The second review considered the second year of the ICT Shared Service operations from 1 April 2015 to 31 March 2016.

2.6   This report to you puts forward the summary of the review for the third year covering 1 April 2016 to 31 March 2017.

2.7   The review covers the following areas as set down in Schedule 4 of the Agreement:

  • The quality of the Shared Service;

  • The effectiveness of budgetary and financial management arrangements;

  • The effectiveness of systems, processes and procedures;

  • Development in legislation and policy guidance;

  • Planning for the development of the Shared Services.

3.   **Progress of points raised from Corporate Services Policy and Challenge Group 14 September 2016**

3.1   The second report of the Annual Review of the Operation of the ICT Shared Service Agreement covering the period to 1 April 2015 to 31 March 2016 gave rise to three queries which have progressed and are contained in the main body of this report. These were:

  a) Improvements were still required to the operation of the Service Desk, particularly in relation to the prioritisation of non-critical incidents, and these would be progressed during the year.

b) A watching brief was being kept on the developments arising from changes to EU legislation on data protection for employees from other countries within the EU.

c) An independent review of cloud readiness was also being jointly commissioned by both Fire Services.

3.2   In addition the second review also contained actions to be undertaken for the period of 1 April 2016 to 31 March 2017 the responses to which have been included in the main body of this report. These actions were;

d) A customer satisfaction survey is to be undertaken towards the end of 2016/17.

e) A technical tactical response to the respective ICT Strategies will be incorporated into the ICT Shared Service planning including resourcing models and structure and the outcomes of the 'Cloud Readiness' review.

f) The ICT Shared Service Board continues its support for the Project Management role to ensure project work is appropriately planned, scheduled and capacity shortfalls identified early on and addressed appropriately

4.   Executive Summary of the Review of Operations 1 April 2016 to 31 March 2017

4.1   The establishment of the ICT Shared Service and continued delivery as a shared environment has proven successful and identifiable improvements to the day to day ICT service provision and management of incident resolution in BFRS continues to achieve the original aims.

There are however, increasing challenges to achieve further improvements due to the ever increasing demands on ICT by both Services. Investigation is currently underway to establish resource requirements to adequately address Business Change projects and programmes which consume a large amount of ICT resources, whilst continuing to deliver and keep upto date with Business As Usual work requirements. Business As Usual work streams such as the efficient working of the technical environment composing of general maintenance, upgrades of software, security patches and replacement of aging equipment are less visible and take lower priority over visible business led projects, meaning they can suffer from de-prioritisation. The volume of resources required to service both these areas is being reviewed to ensure resource issues do not undermine improvements made in the technology infrastructure environment in recent years.

The review will examine the ICT Shared Service structure, capacity required, skills and facilities to ensure they adequately meets the needs of both Services.

5.0 The quality of the ICT Shared Service and progress towards its aims.

5.1 The quality of the ICT Shared Service was reviewed, including the extent to which the aims and outcomes of the ICT Shared Service had been met and the effectiveness of the shared services. The review considered the progress of the ICT Shared Service towards its business aims of improved customer focus, resilience, flexibility, service hours and quality of service as well as improving the operation of the Service Desk, including the prioritisation of non-critical incidents.

5.2. Customer Focus

A key aim was to embed Customer Focus within the ICT Shared Service as it had been previously identified as lacking, in surveys undertaken within both Services.

The Service Desk is considered pivotal to improving the customer focus of the ICT Shared Service by managing all incidents and communications with customers. The ICT Shared Service Catalogue outlines the levels of service that the ICT Shared Service should be striving to meet and the Service Desk monitors progress against these targets, keeping users up to date with progress.

There has been significant improvement within this area. This is supported by both the results of the customer surveys and also from written compliments received which have increased, particularly concerning the Service Desk and Support Team. Additionally feedback received by managers also supports the improvements in customer focus are being well received.

The tables on the following pages show the results of the customer surveys prior to the ICT Shared Service (2010) and since the ICT Shared Service (2014 & 2015 & 2017) for BFRS. The stated score is the average score for each question with possible answers in the range 1 – 7. The continued customer surveys addresses the action point from the last period.

These tables evidence the significant improvement in customer perception of the ICT service since its formation.

Indeed the user satisfaction in both Services is now in line with the upper quartile achieved by local authorities (108 in total) in 2010 of 5.37.

Annual Customer Survey Results

BFRS				
Question	**2010**	**2014**	**2015**	**2017**
The ICT Service is important to you	6.5	6.37	6.69	6.55
The ICT systems are available when you need them	4.4	4.49	4.95	5.12
The ICT systems are generally reliable	4.0	3.68	3.97	4.65
The speed of the ICT systems is acceptable	3.5	3.32	3.69	4.23
You have had sufficient ICT training	4.0	4.3	4.59	4.42
The ICT team responds to your problems quickly	4.3	4.08	4.63	5.48
The Service Desk keeps you informed of progress	4.9	4.11	4.66	5.41
The support from ICT meets your needs	4.2	3.94	4.46	5.20
ICT staff have a high level of technical competence	4.6	4.41	5.10	5.61
ICT staff are easy to contact when needed	4.0	3.81	4.48	5.25
ICT staff are able to diagnose problems accurately	4.7	4.24	4.96	5.59
ICT staff have helpful attitudes	4.9	4.86	5.7	6.06
You know what level of support to expect	5.1	4.38	4.79	5.66
ICT support is available when you need it	4.2	3.72	4.44	5.29
ICT effectively supports the FRSs strategic objectives	3.8	3.86	4.18	4.87

ICT provides you with accurate information	4.3	4.19	4.46	5.21
You have a good working relationship with ICT	5.1	5.09	5.65	6.02
Good communication channels exist with ICT	4.4	4.09	4.66	5.10
Your overall opinion of the quality of the ICT service	4.2	4.07	4.3	5.25
Your overall satisfaction with the ICT service	4.1	4.02	4.22	5.26
Average score	4.46	4.25	4.73	5.31

6.0 The effectiveness of budgetary and financial management arrangements.

6.1. The review included the effectiveness of arrangements to ensure appropriate monitoring of budgets and financial management of the ICT Shared Service.

A framework for accounting for time and costs is in place and end of year procedures for cross charging are undertaken and reviewed by the ICT Shared Service Board.

In order to ensure continued delivery of service and adequately support projects, existing staff resources have been augmented at times with agency staff for specialist skills or to cover vacancies. With the ICT market being more fluid than other professions use of agency staff is more common place, although an increase on salary cost, there is a reduction on leave, expenses and superannuation payments. The costs are monitored through the budget setting process.

6.2 Both partners in the ICT Shared Service have capital replacement programmes which are aligned particularly in respect to infrastructure renewals and contracts.

The in-year budget monitoring and the process of planning and budget setting for the forthcoming year are shared. The BFRS ICT Asset Management Plan feeds in to and takes into account work plans within the ICT Shared Services.

An asset inventory and joint contracts database is maintained for both Services. Opportunities for joint procurement continue to deliver benefits, including price advantages through economies of scale most recently in the Unified Communications project. Procurement is undertaken by BFRS and CFRS procurement teams through their respective controls and systems. Agreements are in place through these teams for one Service to lead and contract on behalf of the other where this is appropriate and beneficial. This arrangement is used for contracting, infrastructure maintenance, and printer contract arrangements, as well as ongoing contract management such as the Wide Area Network.

7.0 The effectiveness of systems, processes and procedures.

7.1 The review of the effectiveness of systems, processes and procedures confirms the work that has been conducted to align to ITIL which the industry best practise framework for managing ICT service delivery has provided benefits in improving incident management and resolution.

7.2 The flexibility of the ICT service overall has been increased through the introduction of the ICT Shared Service, largely by the pooling of the resources available to each Service. This enables better direction of available resources to address issues as required.

This has been evidenced by the incident management performance indicators for the ICT Shared Service detailed in the tables below that shows there has been significant improvement each year.

As part of the review of the ICT Shared Service, the ability to further increase resilience and flexibility of resource deployment will be examined.

Responded to Within SLA			
June 2014	January 2015	May 2016	March 2017
65%	88%	94%	95%

Fixed Within SLA			
June 2014	January 2015	May 2016	March 2017
55%	86%	91%	96%

The ICT Shared Service Board has oversight of ICT projects, ensuring opportunities for joint working are identified. This has ensured that the benefits of lessons learned are gained across sequential implementations improving both quality of implementation and effectiveness of projects. This was evidenced in the previous review through the implementation of the multifunction printing devices across both Services, the Microsoft Exchange upgrade and resilient network implementation. In this review the shared Virtual Desktop Infrastructure project has provided further evidence of the advantages of shared learning. BFRS have benefited from reduced procurement time and cost, reduced build and testing times, well planned roll out programme taking lessons learned from the CFRS rollout.

8.0   Development in legislation and policy guidance.

8.1   The Heads of ICT work with the ICT Shared Service Manager to identify and address developments in legislation and align policy to guidance. The supporting business functions from both organisations have provided policy guidance in respect to Financial, HR and Procurement regulations and changes in legislation.

8.2   Work has started within BFRS to address the requirements of the General Data Protection Regulations which will be required in 2018.

8.3   Investigations are underway to examine potential changes in policy and procedures for loss of IT equipment as well as password policies.

9.0. Planning for the development of the Shared Service.

9.1   The introduction of a Project Manager into the ICT Shared Service has enabled a clearer picture of the resource demands to be obtained. It is now clear that there are severe demands on the infrastructure team resources. Projects, timescales, BAU & resources will form part of the review.

9.2   There are notable project delivery successes which include;

- Successful outcome of Microsoft Audit, with limited licence adjustment required
- Co-responding alerting with Ambulance Service
- Phased alerting of Retained Duty Service
- Replacement Mobilising System implemented
- Data Mobilising via Mobile Data Devices
- MS Active Directory Upgraded
- VDI Roll out
- Assisting with joint use of premises by Police
- Implemented Mobile Device Management platform to manage mobile devices

9.3   To ensure the ICT Shared Service is able to meet the demands of the planned projects within each Service, capacity planning is undertaken regularly on a shared basis. This will analysed in detail as part of the review of the ICT Service review.

9.4   Both partners have established organisationally focussed ICT Strategies which are underpinned by an ICT Shared Service Technical Response Plan. A joint independent initial review of 'Cloud Readiness' was undertaken during 2016 which showed for BFRS there were some potential benefits in adopting cloud technology. However further work is needed and will be undertaken to assess the viability in terms of costs versus benefits in adopting such technology.

The review showed for CFRS there was no cost benefit and as such taking in to account the skills required for managing and migrating to Cloud services would need to be led by BFRS only as no synergies in a shared service approach could be used.

10. Conclusion

The Review of the Operation of the ICT Shared Service Agreement demonstrated ongoing improvement in the aims of resilience, flexibility, cover and quality. However the improvements have been achieved with utilising agency staff at times and this has added to the overall cost to run the service. As demand continues to increase for ICT-led solutions to enhance delivery of our services to our communities and partners, this has placed severe pressures on resource demand and a review of capacity requirements is being undertaken to ensure ICT Shared Service continues to develop, maintaining security and quality of services, whilst delivering to each partner's medium term strategic programmes.

11. Recommendation

That Members consider the outcomes of the third annual review of the operation of the ICT Shared Service Agreement and note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus as well as the demands placed upon the function and the need to review the structure and resource capacity adequately.

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HEAD OF ICT & IMPROVEMENT

1.   ICT Shared Services Governance Board

1.1   Establishment

The Parties shall establish an ICT Shared Services Governance Board with the functions and powers set out in this Schedule. The Board will not be responsible for the day to day operation of the Shared Services, which will remain the responsibility of the ICT Service Delivery Manager.

1.2   Role

The Role of the ICT Shared Services Governance Board shall be to:

1.2.1   ensure that the ICT Shared Services is effective, efficient and resilient

1.2.2   agree the Budget for the following Financial Year in accordance with the budget setting process of each party

1.2.3   identify opportunities for innovation and improvement to the approach taken to delivering the ICT Shared Services in a way that is effective, efficient and provides value for money, whilst maintaining resilience and reviewing reports from the ICT Service Delivery Manager on how this may be achieved

1.2.4   seek further financial benefits which do not compromise the effectiveness and resilience of the ICT Shared Service

1.2.5   to ensure that an annual review of the operation of the Agreement is carried out, using information provided by both Parties to assess the delivery of the Shared Services and the provision of those services within budget. The Board shall consider and make recommendations, as appropriate, on the following matters:

      i.   the quality of the Shared Services, including the extent to which the aims and outcomes of the Agreement have been met and the effectiveness of the Shared Services;

      ii.   the effectiveness of budgetary and financial management arrangements;

iii   the effectiveness of systems, processes and procedures;

iv.   any developments in relevant legislation and policy guidance that may impact on the Shared Services

v.   forward planning for the development of the Shared Services

1.3 Responsibilities

In performing its role the ICT Shared Service Governance Board shall:

1.3.1 consider further opportunities for partnership working and synergies where this represents opportunities and benefits,

1.3.2 determine and ensure the sharing of the financial benefits relating to the ICT Shared Services on a fair basis between the Parties that minimises unnecessary costs,

1.3.3 review requests for change in relation to the Agreement,

1.3.4 receive and consider disputes where escalated to the ICT Shared Service Governance Board.

1.4 Membership

The ICT Shared Service Governance Board shall be comprised of the following representatives:

1.4.1 Principal Officer responsible for ICT from Cambridgeshire Fire and Rescue Service,

1.4.2 Principal Officer responsible for ICT from Bedfordshire Fire and Rescue Service,

1.4.3 Head of ICT from Cambridgeshire Fire and Rescue Service,

1.4.4 Head of ICT from Bedfordshire Fire and Rescue Service,

1.4.5   ICT Shared Services Manager,

1.4.6   Other members who are co-opted as required and agreed by the Parties,

1.4.7   Substitutions may be made as necessary.

1.5   Chairmanship

The ICT Shared Services Governance Board shall be chaired by the Principal Officers of both Parties, with the chairmanship being rotated alternately on a meeting by meeting basis.

1.6   Frequency of Meetings

The ICT Shared Services Governance Board shall meet at least four times in each financial year. Additional meetings may be organised as necessary with the agreement of both Parties.

1.7   Quorum

The ICT Shared Service Governance Board shall be quorate for decisions where the Principal Officers of each Party, or their agreed substitutes, are present.

1.8   Decision making

The parties shall ensure that their representatives at the meetings of the ICT Shared Services Governance Board have the necessary delegated authority for decision making. Decisions shall be reached on a unanimous basis and the only voting representatives shall be the Principal Officers of each Party.

1.9   Support

The ICT Shared Services Governance Board shall be serviced by the Party hosting the meeting.