

For Publication

**Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge
Group
14 September 2016
Item No. 10**

REPORT AUTHOR(S): HEAD OF STRATEGIC SUPPORT

**SUBJECT: ANNUAL REVIEW OF THE OPERATION OF THE ICT
SHARED SERVICE AGREEMENT**

For further information on this Report contact: Alison Ashwood
Head of Strategic Support
Tel No: 01234 845015

Background Papers: ICT Shared Service Agreement 31 October 2013
Review of the Operation of ICT Shared Service Agreement
16 September 2015

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 Strategic Support BFRS, Head of ICT CFRS and ICT Shared Service Manager.

RECOMMENDATION

That Members consider the outcomes of the second 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.

1. Formation of the ICT Shared Service

- 1.1 In April 2010, the ICT Service Manager presented to the senior management teams of our Service and Cambridgeshire Fire and Rescue Service, an outline business case which considered a number of options for delivering ICT services ranging from maintaining the status quo, through various degrees of collaboration, to full outsourcing of the ICT functions.

Consideration of these options identified a clear case for moving forward with a shared ICT arrangement through the following broadly sequential stages:

- Continuation of the shared ICT Service Manager post;
 - Rationalisation, modernisation and harmonisation of the ICT network infrastructures across the two Services;
 - Creation of a shared ICT Support Team; and
 - Review of effectiveness of shared team arrangements with a view to further consideration of full outsourcing of the function, potentially through establishment of a separate, jointly owned service vehicle.
- 1.2 Formal project plans and documentation were drawn up and a joint Shared ICT Services Project Board was established to guide the work, consisting of the Assistant Chief Fire Officer from BFRS (now the Assistant Chief Officer), the Director of Resources from CFRS, the respective Heads of ICT from each Service plus officers providing legal, financial and HR support from the respective Services.
- 1.3 The Shared ICT Services Project Board oversaw the rationalisation, modernisation and harmonisation of the ICT network infrastructures, the creation of a shared ICT Team structure, and the drafting of the ICT Shared Service Agreement which sets out the ICT Shared Service Governance arrangements.
- 1.4 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, establishing the ICT Shared Service Governance Board.
- 1.5 The ICT Shared Service then entered a transition phase for the formation of a joint team and recruitment to new roles which completed on 31 March 2014.

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 This second review considers the second year of the ICT Shared Service operations from 1 April 2015 to 31 March 2016.
- 2.6 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 Actions Arising

The first report of the Annual Review of the Operation of the ICT Shared Service Agreement covering the period 31 March 2014 to 1 April 2015 gave rise to a number of actions which have progressed. These were:

- a. The Fire and Rescue Authority, in their meeting of 4 June 2015, resolved that the Corporate Services Policy and Challenge group is to undertake further investigation into the benefits of other models to provide a shared ICT Shared Service, and the rationale for any change to the current model, with a view to making a referral back to the full Authority. This work is continuing as the ICT Shared Service evolves and matures and will be further reported as and when benefits are identified and conclusions drawn.
- b. The delivery and agreement of a combined project plan and five year strategy for each organisation has been implemented and informs the future structure and resource requirements: the resourcing model and structure with associated benchmarking is being evaluated.
- c. The ICT Shared Service Board has continued its support for the Project Management role to ensure project work is appropriately planned, scheduled and capacity shortfalls identified early on and addressed appropriately.

- d. The ICT Shared Service satisfaction survey was completed on 4 September 2015 and reported to the Corporate Services Policy and Challenge Group on 26 November 2016, (see Section 6). A further survey is planned for 2016/17.

e.

4. Summary of the Review of Operations 1 April 2015 to 31 March 2016

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

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 and is satisfied that good progress continues in achieving these aims.

The review evidenced improvements arising from:

- the resilient infrastructure being implemented by the ICT Shared Service
- improved, formalised working practices and controls;
- extended service hours
- a re-established of the ICT Service as the single point of contact for users, with a change in working practices aligning prioritisation of calls and service levels to those set out in the ICT Service Catalogue.

The pooling of resources and expansion of skills has increased the flexibility of the ICT service enabling better direction of available resources. The introduction of dedicated server and network support teams has increased the skills available in key infrastructure areas. These teams provide formal 24x7 x 365 cover ensuring any issues impacting on Critical systems are addressed as they happen. The ICT Shared Service also provides higher levels of resilience in infrastructure. These improvements are reflected in the performance against the indicator targets.

Incident response times continue to build on the significant increase in performance since the inception of the ICT Shared Service. 94% of ICT incidents were responded to in the times set out in the Service Level Agreement, an improvement of 29 percentage points compared with just 65% at the start 2014/15 financial year. Fix times have followed suit with 91% of incidents fixed within the target an improvement of 36 percentage points over 2014/15 start performance of 55%.

Early detection of reductions in infrastructure performance has allowed users to continue to work uninterrupted whilst faults were investigated and dealt with. One fault impacted on the ICT VDI project rollout where the need for stability in the systems whilst investigation was under way was necessary.

However, the project was able to recover over 50% of lost time due to the flexibility and resilience provided by the ICT Shared Services.

The successes thus far in the improvement in ICT infrastructure and services is increasing demand for technology across both Services to support front line services. The Board agreed to continue the role of the ICT Project Manager to ensure project work is appropriately planned, scheduled and capacity shortfalls identified early on and addressed appropriately. Both partner Services have significant programmes of progression in the use of technology, improved forecasting and planning has highlighted continuing challenges in capacity. The resourcing model and structure with associated benchmarking remains under review by the ICT Shared Service Board and each Service's management teams.

4.2 The effectiveness of budgetary and financial management arrangements.

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

The asset inventory and joint contracts data are maintained. A framework for accounting for time and costs is in place and end of year procedures for cross charging are now routinely undertaken and reviewed by the ICT Shared Service Board.

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 have been shared and agreed.

Opportunities for joint procurement continue to deliver benefits including price advantages through economies of scale most recently in the Virtual Desktop Infrastructure (VDI) 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 has been used for contracting resilience connections between each service, infrastructure maintenance, and printer contract arrangements.

4.3 The effectiveness of systems, processes and procedures.

The review of the effectiveness of systems, processes and procedures confirms the work that has been conducted to align practices within the combined ICT Team. This has introduced practices and controls aligned to ITIL and ISO27001.

Challenges continue in fully embedding effective customer focused working practices through the ICT Service Desk and Support Teams. Although some

progress has been achieved there remains much to do to establish the new ways of working that give greater direction by the Service Desk to the allocation of work to support technicians. This area of organisational change is a key focus for improvement in the next 12 months.

Respective HR, Finance and Procurement Teams continue to strive to align policies and practices as far as is practicable to mitigate some administrative burdens typical of working with two organisations.

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.

4.4 Development in legislation and policy guidance.

The Heads of ICT work with the ICT Shared Service Manager to identify and address developments in legislation and align policy to guidance. This includes protective marking schemes, data protection arrangements, freedom of information, electronic waste disposal. The supporting business functions from both organisations have provided policy guidance in respect to Financial, HR and Procurement regulations and changes in legislation.

Of note is the work continuing in the review period that aligns policies and procedures associated with requirements for Codes of Connection (CoCo), Information Security and Freedom of Information requests.

Future work includes addressing the requirements of the General Data Protection Regulations which will be required by 2018.

4.5 Planning for the development of the Shared Service.

Taking into account the evidence considered as part of the review, the ICT Shared Service Board is satisfied with the effectiveness of the current development and operations of the ICT Shared Service.

Both partners have established organisationally focussed ICT Strategies which will be underpinned by an ICT Shared Service Technical Response plan. A joint independent review of 'Cloud Readiness' is also underway to support this technical response plan and the capital replacement programme.

An ICT Shared Service Improvement plan has also been introduced. Progress against this plan is reviewed by the ICT Shared Service Board.

The ICT Shared Service Board agreed to continue support for the shared ICT Project Manager role in view of the number projects in both Services which require ICT Shared Service resources. Improved planning ensures pinch points in capacity in the short term plans are flagged and addressed. It has also identified continuing challenges in available capacity to deliver medium and longer term programmes of work whilst continuing to undertake essential business as usual activities required to maintain security and resilience. The ICT Shared Service Board and the respective senior management teams are considering ways of addressing these challenges in the next review period.

The Shared ICT model continues to be an innovative creation. In considering planning for the continued improvement of the ICT Shared Service the Board maintains the governance model under review to ensure that it can be maximised and the advantages and disadvantages of other models are known to assess which best enables an integrated, efficient and cost effective ICT service across two authorities.

Following the first review of the ICT Shared Service, LGSS law provided an initial options report into Shared Service models. The report provided a high level review of the possible structures which could be utilised. The CFO presented this report to the Fire and Rescue Authority in their meeting of 4 June 2015. The Fire Authority resolved that the report is referred back to the Corporate Services Policy and Challenge Group to undertake further investigation into the benefits of other models to provide a shared ICT Service, and the rationale for any change to the current model, with a view to making a referral back to the full Authority.

5. Independent Audit

In addition to this review of the operation of the ICT Shared Service Agreement, an independent audit was also commissioned from RSM as part of the BFRS programme of assurance audits. The outcome of the audit concluded that “the Authority can take substantial assurance that the controls in place to manage the IT Shared Service are suitably designed, consistently applied and operating effectively” (Green).

6. Customer Satisfaction

A customer satisfaction survey was undertaken in the period of this review. This concluded there was a general positive view of ICT systems; the results showed an overall improvement on the 2014 survey with the majority of the scores above or close to the median. Whilst there was a general positive view of ICT the reliability and speed of ICT systems were the focus of negative comments. A further review of the use of ICT at wholetime stations undertaken as part of the the Virtual Desktop Infrastructure identified that the problems lie in the terminal services technologies. The Virtual Desktop Infrastructure replaces this technology and is expected to improve users' experience in terms of both reliability and speed. The roll-out of VDI is underway and expected to be completed by the end of December 2016.

The review of satisfaction levels also concluded that some traction was being gained in embedding a strong customer focus but that further efforts were needed. Organisational and cultural change will remain the focus of the ICT Shared Service Board.

A further ICT Shared Service customer satisfaction survey is planned for the end of 2016/17.

7. Summary of Actions

- 7.1 A customer satisfaction survey is to be undertaken towards the end of 2016/17.
- 7.2 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.
- 7.3 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

8. Conclusion

The Review of the Operation of the ICT Shared Service Agreement demonstrated ongoing and significant improvement in the aims of resilience, flexibility, cover and quality. Some improvement in customer focus has been achieved against the challenges of cultural and organisational change with a continuing focus on activities in this area in the coming year. As demand continues to increase for ICT-led solutions to enhance delivery of our services to our communities and partners a review of capacity requirements is being undertaken to ensure ICT Shared Service continues to develop, maintaining security and quality of services and whilst delivering to each partner's medium term strategic programme.

9. Recommendation

That Members consider the outcomes of the second 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.

**ALISON ASHWOOD
HEAD OF STRATEGIC SUPPORT**