

**TO:** Policy and Resources Committee

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**DATE:** 19 December 2019

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## **ANNUAL REVIEW OF THE OPERATION OF THE ICT SHARED SERVICE AGREEMENT**

### **1. Purpose**

- 1.1 To provide the Policy and Resources Committee with a report on the outcome of the annual review of the operation of the ICT Shared Service Agreement (Schedule 4) for the period 1 April 2018 to 31 March 2019, undertaken by the Head of ICT for Cambridgeshire Fire and Rescue Service and the ICT Shared Service Delivery Manager.

### **2. Recommendations**

- 2.1 The Committee is asked to;
- consider the outcomes of the fourth annual review of the operation of the ICT Shared Service Agreement,
  - note the progress and direction of travel towards achieving the aims of improved service, resilience, flexibility, cover and cost management.

### **3. Risk Assessment**

- 3.1 **Economic** – although taking advantage of more efficient ICT systems and solutions involves an upfront financial outlay, once in place, their proactive and robust management can be linked to many economic benefits. The existence of the ICT Shared Service Agreement is a mechanism through which such benefits can be realised.
- 3.2 **Technological** – new systems and solutions lead to improved services for all stakeholders whilst bringing new challenges and a requirement for a myriad of skill sets to meet them. The ICT Shared Service recognises the need to remain focussed yet flexible and regularly review its structure to meet these challenges.
- 3.3 **Legislative** – the Service recognises the need to retain and embed existing quality standards, using them to drive business change. The Authority must remain legally compliant and make the necessary provisions to meet changes such as the General Data Protection Regulations.

#### **4. Background of the ICT Shared Service**

- 4.1 On 22 October 2013 Cambridgeshire and Peterborough Fire Authority authorised an ICT Shared Service Agreement with Bedfordshire Fire and Rescue Authority for a term of five years. This agreement, 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 Cambridgeshire Fire and Rescue Service (CFRS) and Bedfordshire Fire and Rescue Service (BFRS). This agreement has since been extended for a further five year period.
- 4.2 The ICT Shared Service Governance Board meets on a quarterly basis to consider and oversee the quality and delivery of services, consider prioritisation and new work streams. The Board consists of the Deputy Chief Executive (CFRS), Assistant Chief Officer (BFRS) and Head of ICT from both services as well as the ICT Shared Service Delivery Manager.

#### **5. ICT Shared Service Agreement and Review**

- 5.1 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.
- 5.2 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 1.
- 5.3 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 Authority accordingly.
- 5.4 This report puts forward the summary of the review for the third year covering 1 April 2018 to 31 March 2019.
- 5.5 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.

#### **6. Executive Summary of the Review of Operations 1 April 2018 to 31 March 2019**

- 6.1 The ICT Shared Service function has continued to achieve its original aims, delivering identifiable improvements to the day to day ICT service provision and development of the technology environment for CFRS.
- 6.2 The restructure of the ICT Shared Service was completed successfully during this reporting period and staff have migrated to their new roles. A number of staff did leave the organisations because of the restructure but the majority of vacancies were filled fairly quickly. The restructure has proved successful in building

resilience and added some capacity to the areas under pressure. The differences in salaries and terms and conditions between staff employed by each Service continue to cause frustrations amongst staff and add a layer of complexity for managers.

- 6.3 It has been a busy year for the ICT Shared Service and they have successfully delivered a number of key projects. This has resulted in a general increase in customer satisfaction across the Service. The staffing costs have remained consistent with last year.
- 6.4 The demand on the resources of the ICT Shared Service continues to be a challenge. It is essential that all new projects are properly considered and individually resourced to ensure demands on the ICT Shared Service are manageable.

## **7. The Quality of the ICT Shared Service and Progress towards its Aims**

- 7.1 The quality of the ICT Shared Service is reviewed throughout the year through the ICT Shared Service Governance Board, including the extent to which the aims and outcomes of it have been met and its effectiveness. The quantitative aspects of the ICT service are a measure of its adherence to Service Level Agreements (SLA's) and Key Performance Indicators (KPI's) as well as Customer Surveys and monitoring of project delivery.

## **8. Customer Focus**

- 8.1 One of the key aims has always been to embed customer focus within the ICT Shared Service as this aspect encompasses not only day to day service delivery but also the engagement with customers for both organisations. Establishment of the annual customer survey underpins our customer focus aims and provides us with objective data which is then used to formulate any consequential action plans for the forthcoming year.
- 8.2 Last year the annual Customer Satisfaction Survey undertaken in CFRS showed a drop for the first time in all areas. This was at a time when the ICT Shared Service was going through the restructure. It is positive to see that the survey this year has seen an improvement across the majority of areas and although not back to 2017 levels, improvements are continuing.
- 8.3 The table on the following pages show the results of the customer surveys prior to the ICT Shared Service (2010) and since the ICT Shared Service formed. The stated score is the average score for each question with possible answers in the range 1 – 7. The questions have been derived from SOCITIM (The Society for IT Managers in the Public Sector) surveys undertaken in the past nationally so as to standardise and benchmark externally in future should national surveys be undertaken again.

### Annual Customer Survey Results (CFRS only)

Question	2010	2014	2015	2017	2018	2019
The ICT Service is important to you	5.9	6.54	6.35	6.30	6.1	6.4
The ICT systems are available when you need them	4.6	4.97	5.28	5.88	5.1	5.5
The ICT systems are generally reliable	4.3	4.0	4.67	5.44	4.6	5.1
The speed of the ICT systems are acceptable	3.4	3.01	3.91	4.76	3.4	4.5
You have had sufficient ICT training	4.3	4.41	4.78	4.85	4.5	4.3
The ICT team responds to your problems quickly	4.4	4.53	5.29	5.95	5.4	5.5
The Service Desk keeps you informed of progress	5.0	4.81	5.15	5.74	5.4	5.4
The support from ICT meets your needs	4.6	4.56	5.2	5.89	5.5	5.5
ICT staff have a high level of technical competence	4.9	5.17	5.53	5.92	5.6	5.7
ICT staff are easy to contact when needed	4.2	4.56	5.03	5.84	5.3	5.4
ICT staff are able to diagnose problems accurately	4.7	5.06	5.23	5.78	5.4	5.5
ICT staff have helpful attitudes	5.0	5.81	5.88	6.18	5.9	5.9
You know what level of support to expect	4.7	4.97	5.38	5.84	5.7	5.6
ICT support is available when you need it	4.1	4.43	5.21	5.67	5.1	5.3
ICT effectively supports the FRSS strategic objectives	4.4	4.48	4.69	5.5	5.1	5.1
ICT provides you with accurate information	4.6	4.76	4.84	5.71	5.3	5.4

You have a good working relationship with ICT	4.9	5.29	5.69	5.99	5.6	<b>5.9</b>
Good communication channels exist with ICT	4.5	4.32	4.71	5.39	5.2	<b>5.3</b>
Your overall opinion of the quality of the ICT service	4.5	4.58	5.1	5.9	5.3	<b>5.5</b>
Your overall satisfaction with the ICT service	4.4	4.36	4.93	5.86	5.1	<b>5.5</b>

## 9. Successes

9.1 Despite the difficulties of the restructure and staff turnover, the ICT Shared Service has delivered a couple of large system upgrades during the reporting period. A successful project to upgrade the server and storage infrastructure in both the CFRS and BFRS data centres was successfully completed on time and budget at the end of 2018. This was followed by a successful migration to the new supported virtualised desktop environment, replacing the previous unsupported and obsolete system. A number of performance issues were initially experienced by staff but these were successfully resolved. The provision of Office 2016 on a Windows 10 desktop was provided as part of this latter project; this has also provided Skype for Business to all users.

## 10. The Effectiveness of Budgetary and Financial Management Arrangements

10.1. The review included the effectiveness of arrangements to ensure appropriate monitoring of budgets and financial management of the ICT Shared Service. Financial arrangements cover costs associated with;

- FTE staff costs including individual consumption by each respective fire service and joint consumption,
- use of temporary agency staff,
- joint procurement opportunities aimed at reducing costs,
- monitoring at six monthly periods the apportionment of staff costs.

10.2 Costs are subject to each organisations own approval process including ICT Shared Service joint projects and temporary agency staff. 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. The table below shows the total costs for ICT Shared Service staff including agency staff. Bedfordshire Fire Service costs are shown here as a comparison. The costs for both services remain very similar to last year.

April 2018 to March 2019	BFRS	CFRS	Total
Total costs ICT Shared Service Team	£503,888	£504,026	£1,007,914

## **11. Time split between Services**

- 11.1 The consumption of staff resources by each service has a direct impact on annual costs and as such are scrutinised as part of the annual review. The demands placed onto ICT compared to staff available show that a lean environment exists. The shared service arrangement effectively provides a method of financial risk mitigation in that, where a service consumes less resource it does not pay for it, as a lean environment exists in which demand outstrips supply there is no risk of over-supply of ICT resources.
- 11.2 The original expectation was that the resource demands on the ICT Shared Service from each service would be split roughly 65:35 between CFRS and BFRS, with CFRS taking the larger amount. This was based on the number of sites in each service as well as the larger user base in CFRS.
- 11.3 To date this expectation has not proved accurate. During the initial years BFRS consumed more resources than CFRS. In recent years, more joint activity has been undertaken with the current split of activities approximately 50:50. Additionally, the restructure and locating of all ICT Shared Service staff to Cambourne has started to provide a more appropriate split of resources.

## **12. Use of Agency Staff**

- 12.1 In order to ensure continued delivery of service and adequate support to projects, existing staff resources have been augmented at times with agency staff with specialist skills or to cover vacancies. Due to the inability to recruit to the server engineer role reliance on a contractor to fill that role has continued. However the contract for this post will be terminated at the end of the year as an existing member of the support team has been successful in securing the position.

## **13. Capital Investment**

- 13.1 Both partners in the ICT Shared Service have capital replacement programmes which are aligned particularly in respect to infrastructure renewals and contracts.
- 13.2 An asset inventory is maintained by the ICT Shared Service with a contracts database being maintained by each organisation. Opportunities for joint procurement continue to deliver benefits, including price advantages through economies of scale. Procurement is undertaken by CFRS and BFRS 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.

## **14. The Effectiveness of Systems, Processes and Procedures**

- 14.1 Systems, processes and procedures, including KPI's are in place and the ICT Shared Service adopt best practice by aligning to the ITIL (Information Technology Infrastructure Library) framework. KPI's are monitored by ICT Shared Service Management and reported through the ICT Shared Service Governance Board.

- 14.2 Audits of the ICT functions are conducted by the Information Governance Manager in CFRS and also by third parties as part of the ISO27001 accreditation.

## **15. Project Delivery**

- 15.1 The ICT Programme Board continues to manage the project work being undertaken by the ICT Shared Service. The Board comprises the Heads of IT for each organisation, ICT Shared Service Delivery Manager, ICT Shared Service Project Manager, ICT Shared Service Infrastructure Manager and the ICT Shared Service Support Manager.
- 15.2 The role of the Board is to review the progress of projects underway and to agree the scope and schedule of new projects. The Board reports to the ICT Shared Service Governance Board for agreement and decisions on priority and resourcing.
- 15.3 It is apparent that there is not enough capacity in the ICT Shared Service establishment to proactively maintain the ICT infrastructure and deliver all large projects. To enable IT projects to be successfully delivered additional resources are made available and costs included within the initiation process of new projects.

## **16. Development in Legislation and Policy Guidance**

- 16.1 The Heads of ICT work with the ICT Shared Service Manager to identify and address developments in legislation and align policy to guidance. No new legislation has been introduced this year that impacts on ICT service delivery.

## **17. Planning for the Development of the Shared Service**

- 17.1 **Establishment** - the restructured ICT Shared Service went 'live' on 1 Aug 2018 and the transition of staff to the new roles and responsibilities was largely successful. A number of staff did decide to move on and generally we were successful in recruiting to the vacant positions. However we have continued to experience difficulties in recruiting to the server engineer post, primarily due to salary constraints.
- 17.2 Transition of knowledge to the new functions has continued throughout the year, with the new structure of the ICT Shared Service providing more resilience than previously.
- 17.3 The retention and development of the ICT apprentice has enabled him to provide invaluable assistance initially to the support function and more lately within the network team. The concept of bringing junior staff in on an apprenticeship and developing them for permanent roles within the ICT Shared Service has now been proven as a successful strategy moving forward.
- 17.4 **Transport** - as a result of the restructure, the number of pool cars available to the ICT Shared Service has been reduced from six to five. Three of the cars are provided by CFRS and two by BFRS. The number of vehicles is proving adequate at present to travel around the sites as necessary to address incidents and attend meetings.

- 17.5 **Terms and Conditions** - the variances in terms and conditions between the two organisations continue to cause frustration amongst staff and complicate the role of managers; unable to reach an agreement on the harmonisation of terms and conditions during the restructure, this continues to be a problem.
- 17.6 **Resilience** - the resilience of the ICT service has been improved by the restructure of the ICT Shared Service. Since the restructure it has been possible to provide better 24x7 support with both network and server engineers on call at any time. This has improved the response and resolution of problems experienced out of normal hours.
- 17.7 The move to Cambourne has improved resilience through improved interaction between the teams of the ICT Shared Service with less isolation. Often problems require input from different teams to resolve and this is made far easier with the majority of staff being in the same place.
- 17.8 The merger of the support team and Service Desk has improved resilience by broadening the knowledge base amongst the team and enabled more flexible deployment of engineering resources. Resources can be moved and utilised as demand requires. It has also helped to improve both response to and resolution of incidents.
- 17.9 **Governance** - the ICT Shared Service is governed through the ICT Shared Service Governance Board. The Board meets on a monthly basis to monitor progress. Both partners have established organisationally focussed ICT strategies which are underpinned by an ICT Shared Service Technical Response Plan.
- 17.10 A key challenge for the Governance Board is to manage the expectations of each organisation. Demands on resources are sometimes individual to a services business priorities and risk appetite. Therefore the Board looks to align business priorities, remove conflicts and align work streams and funding availability to maximise the benefits of a shared service.
- 17.11 The KPI reports showing performance against the ICT Shared Service Catalogues are published monthly. The reports detail performance for each organisation on a monthly and rolling six monthly basis. These reports are scrutinised at the Governance Board meetings and progress is monitored.
- 17.12 **Changing technology** - the next major technology challenge for the ICT Shared Service will be the migration of both organisations into the cloud with the adoption of Microsoft 365. CFRS will migrate to SharePoint Online in the first half of 2020 to enable the removal of the current document management system. This will go some way to mitigate the substantial increase in Microsoft licencing costs while introducing new ways of working to assist with collaboration activities.
- 17.13 This will be extremely challenging for the ICT Shared Service. All ICT staff will require development of their technical skills to enable them to establish the environments to industry standards while maintaining both security and accessibility of users and data. Expert third party support is likely to be required given the size of the change.
- 17.14 With these changing technologies the ICT Shared Service will be placing a large emphasis on maintaining the security of data and protecting against ever increasing cyber threats.



## 18. Conclusion

- 18.1 The review of the operation of the ICT Shared Service has demonstrated that progress has been made in developing services and improving technology provision. A number of issues still exist with regard to recruitment and parity in terms and conditions and possible solutions will be explored further during the next reporting period.
- 18.2 The restructure of the ICT Shared Service has predominantly delivered the expected benefits of increased resilience and improved capacity in the areas of most demand, whilst staffing costs have remained similar to last year. Although a dip in user satisfaction with the ICT Shared Service was experienced last year, staff expectations and opinions of the service have now started to return to previous levels.

## BIBLIOGRAPHY

Source Document	Location	Contact Officer
ICT Shared Service Governance Board Schedule 4 Agreement	Hinchingsbrooke Cottage  Brampton Road  Huntingdon	John Fagg  Head of ICT  john.fagg@cambsfire.gov.uk

**Schedule 4****1. ICT Shared Service Governance Board****1.1 Establishment**

The Parties shall establish an ICT Shared Service 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 Service Governance Board shall be to;

- 1.2.1 ensure that the ICT Shared Service 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 Service 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 Service 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 Service 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 Service 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 Service 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 Service Governance Board shall be serviced by the party hosting the meeting.