

TO: Policy and Resources Committee

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ANNUAL REVIEW OF THE OPERATION OF THE ICT SHARED SERVICE AGREEMENT

1. Purpose

- 1.1 The purpose of this report is 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 2017 to 31 March 2018, undertaken by the Head of ICT for Cambridgeshire Fire and Rescue Service (CFRS) and the ICT Shared Service Delivery Manager.

2. Recommendations

- 2.1 It is recommended that the Committee;
- consider the outcomes of this the fourth annual review of the operation of the ICT Shared Service Agreement,
 - note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus,
 - note the need to review the structure and capacity of the function.

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 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 CFRS and Bedfordshire Fire and Rescue Service (BFRS). The agreement has recently 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, prioritisation and new work streams. The Board consists of the Deputy Chief Executive Officer (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 A.
- 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 Fire and Rescue Authority accordingly.
- 5.4 This report puts forward the summary of the review for the fourth year covering 1 April 2017 to 31 March 2018.
- 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 2017 to 31 March 2018

- 6.1 The establishment of the ICT Shared Service function over the last four years and its continued delivery as a shared environment has shown it continues 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 With challenges identified in previous years a substantial 'ground level' upwards review of the existing structure took place for this reporting period. The review examined the structure, capacity required, skills and facilities to ensure they adequately met the needs of both services. The actual implementation and 'go live' of the restructure took place during summer 2018, much of it outside this current reporting period however it is referred to in the main body of this report to show ongoing progress.
- 6.3 It has been a difficult year for the ICT Shared Service as increases in demand have continued, the restructure process has been underway for much of the year and key management roles have also been absent for a substantial part of the year. These factors have resulted in a consequential dip in the Customer Satisfaction Survey, which are described more fully within this report. That said, the transition to the new structure is now underway with the aim to be fully transitioned by January 2019. By then, new ways of working will be further established and continuous improvement achieved once again.
- 6.4 The demand on the resources of the ICT Shared Service continues to be paramount to its success. It is essential that all new projects are properly considered and individually resourced to ensure demands on the ICT Shared Service are manageable. The restructure will allow improvements to the delivery of projects which would not have been possible under the old structure, due to constraints in the way resources were arranged which consequently did not provide the flexibility needed.

7. The Quality of the ICT Shared Service

- 7.1 The quality of the ICT Shared Service was reviewed, including the extent to which the aims and outcomes of it have been met and the effectiveness of the shared services. The review considered progress towards its business aims of improved customer focus, resilience, flexibility, service hours and quality of service as well as improving the operation of the ICT Service Desk, including the prioritisation of non-critical incidents. 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. These measures are reviewed throughout the year through the ICT Shared Service Governance Board.
- 7.2 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 fire services. Establishment of the annual customer survey underpins our customer focus aims and provides us objective data which is then used to formulate any consequential action plans for the forthcoming year.

- 7.3 Significant improvement had been established within this area in previous years as evidenced by the survey results detailed in the table below. However, the annual Customer Satisfaction Survey undertaken in CFRS this year shows a drop for the first time in all areas. This may in part be attributable to the uncertainty caused by the restructure process that has been underway throughout the year. The restructure has merged the User Support Engineer and Service Desk teams together with the aim of further improving customer focus. The implementation of new technologies along with new ways of working will enable more flexibility with resourcing while providing a more responsive service. So whilst the survey shows a drop in overall customer satisfaction rates, we fully expect to be able to improve on these figures with the restructured team.
- 7.4 The tables on the following pages show the results of the customer surveys prior to the ICT Shared Service (2010) and since (2014 and 2015, 2017 and 2018) the ICT Shared Service was formed. The stated score is the average score for each question with possible answers in the range of 1 to 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)

Question	2010	2014	2015	2017	2018
The ICT Service is important to you	5.9	6.54	6.35	6.30	6.1
The ICT systems are available when you need them	4.6	4.97	5.28	5.88	5.1
The ICT systems are generally reliable	4.3	4.0	4.67	5.44	4.6
The speed of the ICT systems is acceptable	3.4	3.01	3.91	4.76	3.4
You have had sufficient ICT training	4.3	4.41	4.78	4.85	4.5
The ICT team responds to your problems quickly	4.4	4.53	5.29	5.95	5.4
The Service Desk keeps you informed of progress	5.0	4.81	5.15	5.74	5.4
The support from ICT meets your needs	4.6	4.56	5.2	5.89	5.5
ICT staff have a high level of technical	4.9	5.17	5.53	5.92	5.6

competence					
ICT staff are easy to contact when needed	4.2	4.56	5.03	5.84	5.3
ICT staff are able to diagnose problems accurately	4.7	5.06	5.23	5.78	5.4
ICT staff have helpful attitudes	5.0	5.81	5.88	6.18	5.9
You know what level of support to expect	4.7	4.97	5.38	5.84	5.7
ICT support is available when you need it	4.1	4.43	5.21	5.67	5.1
ICT effectively supports the fire and rescue services' strategic objectives	4.4	4.48	4.69	5.5	5.1
ICT provides you with accurate information	4.6	4.76	4.84	5.71	5.3
You have a good working relationship with ICT	4.9	5.29	5.69	5.99	5.6
Good communication channels exist with ICT	4.5	4.32	4.71	5.39	5.2
Your overall opinion of the quality of the ICT service	4.5	4.58	5.1	5.9	5.3
Your overall satisfaction with the ICT service	4.4	4.36	4.93	5.86	5.1

8. The Effectiveness of Budgetary and Financial Management Arrangements

- 8.1 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.
- 8.2 Costs are subject to each fire services' 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; BFRS costs are shown here as a comparison.

April 2017 to March 2018	BFRS	CFRS	Total
Total costs ICT Shared Service team	£544,188	£455,172	£999,360

9. Time Split between Services

- 9.1 The consumption of staff resources by each service has a direct impact on annual costs, as such these are scrutinised as part of the annual review. The demands placed in to 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 oversupply of ICT resources.
- 9.2 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. To date this expectation has not proved accurate, with BFRS consuming more resources than CFRS over the initial years. It was heavily affected by the number of support engineers based in BFRS. The restructure and locating of all ICT Shared Service staff to Cambourne is expected to provide a more appropriate split of resources and cost. The pooling of resources and cross training will optimise availability of resources to better align with organisational needs.
- 9.3 The other factor that has also affected the split of resources to a lesser extent is that BFRS has a much smaller base of additional technology support services and therefore the likelihood of consuming further ICT resources compared to CFRS is potentially higher. Examples of these are the Application Support Group and STEP development teams which are not mirrored in BFRS.

10. Use of Agency Staff

- 10.1 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. With the restructure now underway and new teams set up, recruitment is ongoing to replace any agency staff with permanent staff which will provide financial benefits through the following year by reducing costs. Agency staff will still be required in cases where large projects require additional resource or particular expertise.

11. Capital Investment

- 11.1 Both partners in the ICT Shared Service have capital replacement programmes which are aligned particularly in respect to infrastructure renewals and contracts. An asset inventory is maintained by the ICT Shared Service with a contracts database being maintained by each service. Opportunities for joint procurement continue to deliver benefits, including price advantages through economies of scale most recently in the Server Refresh, the contract for the upgrade to the Virtual Desktop Environment and the procurement of Cyber Security tools. 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. This arrangement is used for contracting, infrastructure maintenance and printer contract arrangements, as well as ongoing system support and maintenance contracts.

12. The Effectiveness of Systems, Processes and Procedures

- 12.1 The review examined the effectiveness of systems, processes and procedures, including KP's in place and the use of ITIL (Information Technology Infrastructure Library) which aligns to the industry best practice framework for managing ICT service delivery. KPI's are monitored by ICT Shared Service Management and reported through the ICT Shared Service Governance Board.
- 12.2 One of the issues experienced throughout 2017/18 was inflexibility to resource and re-task resources as required across both services due to the location of staff. When the ICT Shared Service was set up the original employment contracts were retained which based staff to certain locations. This meant re-tasking and re-deploying resources took longer than ideal and also meant knowledge sharing was constrained due to base locations being different.
- 12.3 The flexibility of the ICT Shared Service overall has been increased through the restructure (although outside of this reporting period) in particular, the merging of the User Support Engineers with the Service Desk. The expected improvements in communications and ways of working should be realised in the coming year and reported in the fifth annual review next year.

13. Extended Service Hours

- 13.1 An immediate benefit of the ICT Shared Service was the extension of ICT support to 2200 hours from Monday to Thursday to enable support to be provided to On-Call staff either remotely or when required on site.
- 13.2 The ICT Shared Service provides station visits on drill nights to On-Call stations on a quarterly basis. These station visits have been positively received. Each station receives a visit unless they specifically request non-attendance. ICT Support Engineers complete a checklist for each visit and report on all works undertaken

during the visit. Each ICT User Support Engineer is allocated a group of stations, located in both services, to attend which enables relationships to be fostered and provides continuity for the stations. However due to the overall improvements in responding to incidents over the last few years and the improved reliability and performance of the ICT infrastructure many planned visits are now cancelled by stations. The need to continue with station visits will be reviewed.

14. Project Delivery

- 14.1 An ICT Program Board has been established during this year to manage the project work being undertaken by the ICT Shared Service. The Board comprises the Heads of IT for each service, ICT Shared Service Delivery Manager, ICT Shared Service Project Manager, ICT Shared Service Infrastructure Manager and the ICT Shared Service Support Manager.
- 14.2 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.
- 14.3 The introduction of a project manager into the ICT Shared Service has enabled visibility and a clearer picture of the resource demands placed upon the ICT Shared Service. 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 it is essential that additional resources are made available and such costs should be included within the initiation process of new projects. During the reporting period some of the ICT infrastructure projects were delayed due to resource constraints, this has been a challenge, although the restructure will improve matters.
- 14.4 One of the main bottlenecks in the old structure was the lack of Server Engineers, which are required for the majority of project delivery and change management work. The restructure (from 1 August 2018) has enabled, through re-arranging posts, more resources to be allocated to the Server team, which will double from two to four staff (after recruitment is completed). In addition the realignment of posts has enabled the Network team to increase in size, allowing a larger and more flexible resource pool to be available. These changes will enhance the ICT Shared Service capability to deliver projects which was not possible under the old structure. Progress will be reported in the next reporting period as part of the fifth annual review.
- 14.5 The ICT Shared Service Governance Board has oversight of ICT projects ensuring opportunities for joint working are identified. This has ensured that the benefits of optimising resources are taken advantage of and any lessons learned are used across sequential implementations improving both quality and effectiveness of projects. This was evidenced in this reporting period through examples such as the VDI upgrade project and the Server Refresh project.

15. Development in Legislation and Policy Guidance

- 15.1 The Heads of ICT work with the ICT Shared Service Delivery Manager to identify and address developments in legislation and align policy to guidance. An example of this is the recent change in Data Protection law.
- 15.2 As part of continually improving cyber security defence measures, new security tools were implemented which provided a suite of enhanced cyber threat detection and proactive protection tools. Additional benefits are being felt by the CFRS users in significantly reducing the amount of unwanted and spam email traffic. Also the secure email solution was extended to ensure those requiring to exchange sensitive information had the ability to do so.

16. Planning for the Development of the Shared Service

- 16.1 **Establishment** – a review of the structure of the ICT Shared Service was completed and a revised structure was approved; this included the establishment of an ICT (FTE) project manager post and the creation of a new database administration. Transitioning the ICT Shared Service into the new structure is currently underway. A gap will exist between the old and new structures until the final post within the Infrastructure team is filled through the current recruitment process. The transition is planned to be completed by January 2019. As such the expected benefits from the new structures will be fully realised and reported next year. The transition comprises of;
- recruitment to vacant posts,
 - revised working practises – with movement of staff into new roles and new teams as well as new line managers there is a need to embed new working practices and exploit the flexibility and opportunities the revised structure provides.
 - staff training - with the amalgamation and changes to teams, roles and responsibilities to provide larger and more resilient resource pools, there is a need to ensure knowledge transfer and training for staff.
- 16.2 **Office Locations** - as part of the restructure, the ICT Shared Service has made Cambourne its main location for all staff. Hot desking is being deployed in three offices which have a capacity for 19 staff. A small office suitable for one person is used at BFRS HQ and an office with a capacity for three is allocated at CFRS HQ which allows for an engineer to be based at each HQ as part of the rota. This small amount of office space at both headquarters will need to be retained as most calls originate at these sites due to the number of users based at them.
- 16.3 **Transport** - six pool cars (three from each service) have been available to the ICT Shared Service. In general two vehicles are located at Cambourne, three at Kempston and one at Huntingdon. The cars are frequently used and critical to the ability of the ICT Shared Service to improve its responsiveness. As the ICT service moves to

Cambourne it is intended to locate four vehicles there with one at each SHQ. The allocation and need for vehicles will be reviewed in January 2019 once the move to Cambourne has been operating for a period.

- 16.4 **Terms and Conditions** - the variances in terms and conditions between the two services have not had a major impact on staff but have complicated the roles of managers, specifically there are the differing pay-bands for each service and the way on-call payments are handled. A pragmatic approach is taken wherever possible to harmonise requirements as much as possible.
- 16.5 **Ways of Working** - the User Support Engineers and Service Desk teams have been merged into a single team. A rota is being employed that will rotate the staff between answering calls to the Service Desk and resolving user problems that can't be dealt with on the Service Desk. The rota will also rotate staff between Cambourne and the two headquarters. This change will improve the flexibility to target resources to user requirements and has been enabled by the deployment of new technologies. The new technologies reduce the need to be desk side to fix faults. The intention is to increase the number of first time fixes by increasing the skills of the people answering calls and improving the flexibility of resources on the Service Desk to match demand.
- 16.6 **Resilience** - the resilience of the ICT service has been further improved by the restructure of the ICT Shared Service. The restructure has enabled more resources to be allocated to the Server and Network teams. These changes enhance the ICT Shared Service ability to adequately maintain its ICT infrastructures. The staff will be based in one location to allow better knowledge sharing, thereby facilitating better resilience as staff can better cover each other's work if required. The teams now have more structure to them offering career progression opportunities which was previously highlighted as an issue by staff. This is also expected to assist with staff retention.
- 16.7 **Governance** – the ICT Shared Service is governed through the ICT Shared Service Governance Board. The Board meets on a monthly regular basis to monitor progress. Both partners have established organisationally focussed ICT strategies which are underpinned by an ICT Shared Service Technical Response Plan. A key challenge for the Governance Board is to manage the expectations of each service. Demands on resources are sometimes individual to a service's business priorities and risk appetite. Therefore the Board looks to align business priorities and work streams, remove conflicts and improve funding availability to maximise the benefits of a shared service. The KPI reports showing performance against the ICT Shared Service Catalogues are published monthly. The reports detail performance for each service on a monthly and rolling six monthly basis. These reports are scrutinised at the Governance Board meetings and progress is monitored.

17. Conclusion

17.1 The Review of the Operation of the ICT Shared Service Agreement demonstrated progress has been made in developing the ICT Shared Service through the KPI's that are monitored and reported on a regular basis as well as recognising that the function could be improved further.

17.2 The restructure of the ICT Shared Service is specifically intended to improve service delivery. It will also address the situation where temporary agency staff are used to fill permanent positions, thereby reducing costs.

17.3 The next Management Review in 2019 will include reporting on the success of the

- restructure and transition against the stated aims of the restructure;
- take into account the changing technology landscape and maximise the efficiency opportunities that this brings,
- use the re-location of staff to bring about more efficient deployment and use of resources,
- re-organise duties of the teams to facilitate more flexible working practices,
- address shortcomings experienced over the last three years in the server team through augmenting and re-alignment of existing resources.

18. Recommendation

18.1 It is recommended that Members consider the outcomes of the fourth annual review of the operation of the ICT Shared Service Agreement and note the progress and direction of travel towards achieving the aims of improved service, resilience, flexibility, cover and cost management.

BIBLIOGRAPHY

Source Document	Location	Contact Officer
ICT Shared Service Governance Board Schedule 4 Agreement	SHQ 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 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.