

**TO:** Policy and Resources Committee

**FROM:** Head of ICT – John Fagg

**PRESENTING OFFICER(S):** Head of ICT – John Fagg

Telephone: 01480 444580

Email: [john.fagg@cambsfire.gov.uk](mailto:john.fagg@cambsfire.gov.uk)

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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 2016 to 31 March 2017, undertaken by the Heads of Information and Communications Technology (ICT) for both Cambridgeshire and Bedfordshire Fire and Rescue Services and the ICT Shared Service Delivery Manager.

### **2. Recommendation**

- 2.1 The Committee is asked to;
- a) consider the outcomes of the third annual review of the operation of the ICT Shared Service Agreement,
  - b) note the progress in achieving the aims of improved resilience, flexibility, cover, quality and customer focus,
  - c) note the demands placed upon the function and the need to review the structure, resource and capacity of it.

### **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 the completion of 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).
- 4.2 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 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 2016 to 31 March 2017.
- 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 2016 to 31 March 2017**

- 6.1 The establishment of the ICT Shared Service and continued delivery as a shared environment has proven successful with identifiable improvements to the day to day ICT service provision and management of incident resolution in both organisations. There are however, increasing challenges to maintain service provision and to achieve further improvements due to the ever increasing demands on ICT by both services. Business as usual work streams such as the general maintenance of the technical environment, upgrades of software, essential security patches and

replacement of aging equipment are less visible and often take lower priority over visible business led projects, meaning they can suffer from de-prioritisation. The volume of resources required to service these areas is being reviewed to ensure resource issues do not undermine improvements made in the technology infrastructure environment in recent years.

- 6.2 Examination of the shared service structure, capacity, skills and facilities to ensure they adequately meet the needs of both organisations led to a Business Case being presented to the Chief Officers Advisory Group in CFRS and the Corporate Management Team in BFRS proposing a restructure of it. Agreement was given by both services to fully review the structure and propose changes where appropriate.

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

- 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.
- 7.2 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 organisations. The ICT Service Desk is considered pivotal to improving the customer focus of the shared service by managing all incidents and communications with customers. The ICT Shared Service Catalogue outlines the levels of service that it should be striving to meet and the ICT Service Desk monitors progress against these targets, keeping users up to date with progress.
- 7.3 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 ICT Service Desk. Additionally feedback received by managers also supports that improvements in customer focus are being well received.
- 7.4 The table below shows the results of the customer surveys prior to (2010) and since (2014 & 2015 & 2017) the ICT Shared Service (2010) for CFRS. The stated score is the average score for each question with possible answers in the range of 1 to 7; the continued customer surveys address the action point from the last period. These tables evidence the significant improvement in customer perception of the ICT Shared Service since its formation. Indeed the user satisfaction in both organisations is now in line with the upper quartile achieved by 108 local authorities in 2010 of 5.37.

### **Annual Customer Survey Results (CFRS)**

<b>Question</b>	<b>2010</b>	<b>2014</b>	<b>2015</b>	<b>2017</b>
The ICT service is important to you	5.9	6.54	6.35	6.30
The ICT systems are available when you need them	4.6	4.97	5.28	5.88
The ICT systems are generally reliable	4.3	4.0	4.67	5.44

Question	2010	2014	2015	2017
The speed of the ICT systems is acceptable	3.4	3.01	3.91	4.76
You have had sufficient ICT training	4.3	4.41	4.78	4.85
The ICT team responds to your problems quickly	4.4	4.53	5.29	5.95
The ICT Service Desk keeps you informed of progress	5.0	4.81	5.15	5.74
The support from ICT meets your needs	4.6	4.56	5.2	5.89
ICT staff have a high level of technical competence	4.9	5.17	5.53	5.92
ICT staff are easy to contact when needed	4.2	4.56	5.03	5.84
ICT staff are able to diagnose problems accurately	4.7	5.06	5.23	5.78
ICT staff have helpful attitudes	5.0	5.81	5.88	6.18
You know what level of support to expect	4.7	4.97	5.38	5.84
ICT support is available when you need it	4.1	4.43	5.21	5.67
ICT effectively supports the fire and rescue services' strategic objectives	4.4	4.48	4.69	5.5
ICT provides you with accurate information	4.6	4.76	4.84	5.71
You have a good working relationship with ICT	4.9	5.29	5.69	5.99
Good communication channels exist with ICT	4.5	4.32	4.71	5.39
Your overall opinion of the quality of the ICT service	4.5	4.58	5.1	5.9
Your overall satisfaction with the ICT service	4.4	4.36	4.93	5.86

## 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. 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 Board.
- 8.2 In order to ensure continued delivery of service and adequate support to 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 and whilst this use increases salary cost it also reduces leave, expenses and superannuation payments. The costs are monitored through the budget setting process.

- 8.3 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. Opportunities for joint procurement continue to deliver benefits, including price advantages through economies of scale most recently evidenced in the Unified Communications project. 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 contract management for example the Wide Area Network.

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

- 9.1 The review of the effectiveness of systems, processes and procedures confirms that work has been aligned to ITIL, which is the industry best practise framework for managing ICT service delivery and has provided benefits in improving incident management and resolution.
- 9.2 The flexibility of the ICT service overall has been increased through the introduction of the shared service, largely by the pooling of the resources available to each organisation. This enables better direction of available resources to address issues as required and has been evidenced by the incident management performance indicators detailed in the tables below (figures relate to CFRS only) showing that there has been significant improvement each year.

Responded to within service level agreement			
July 2014	April 2015	May 2016	April 2017
92%	93%	95%	96%

Fixed within service level agreement			
July 2014	April 2015	May 2016	April 2017
86%	84%	93%	97%

- 9.3 As part of the review of the ICT Shared Service, the ability to further increase resilience and flexibility of resource deployment will be examined. The 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. In this review the shared Virtual Desktop Infrastructure project and the Microsoft Exchange upgrade has provided further evidence of the advantages of shared learning.

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

- 10.1 The Heads of ICT work with the ICT Shared Service Delivery Manager to identify and address developments in legislation and align policy to guidance. The supporting

business functions from both organisations have provided policy guidance in respect to financial, human resource and procurement regulations and changes in legislation.

- 10.2 Work has started within CFRS to address the requirements of the General Data Protection Regulations which will be required in 2018 and to maintain our ISO 27001 (Information Security) certification.

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

- 11.1 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, business as usual and resources will form part of the ICT Shared Service review.

- 11.2 There have been notable project delivery successes which include;

- successful outcome of Microsoft licencing audit, with limited licence adjustment required,
- Microsoft Active Directory (AD) upgraded,
- Completion of Virtual Desktop Infrastructure roll out,
- New Mobile Data Terminal infrastructure built.

- 11.3 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 also feed into the review.

- 11.4 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 that although well placed, there were no immediate benefits in CFRS moving all ICT infrastructure to the cloud. However cloud technologies will be considered during procurement activities as they may provide benefits for specific systems/applications.

## **12. Conclusion**

- 12.1 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 utilising agency staff at times and this has added to the overall running costs. As demand for ICTled solutions to enhance delivery of our services to all stakeholders continues to increase, severe pressure has been placed on our resources and a review of capacity requirements is being undertaken. This will ensure the ICT Shared Service continues to develop whilst maintaining security and quality of services and delivering to each partner's medium term strategic programmes.

## **BIBLIOGRAPHY**

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

## **Appendix 1**

### **Schedule 4**

#### **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 SharedServices, 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.