



**Joint Committee of
the London Boroughs of Brent,
Lewisham and Southwark
20 February 2018**

**Report from the Head of Digital
Services**

Report to the Joint ICT Committee on 20 February 2018

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt:	Open
No. of Appendices:	1 (February 2018 Performance Pack)
Background Papers:	None
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1.0 Purpose of the Report

1.1 This report provides an update on the 3-council ICT Shared Service established in November 2017.

2.0 Recommendation(s)

2.1 The ICT Shared Service Joint Committee is asked to:

- a) Note the actions being taken in Section 3 – Detail.
- b) Note the contents of the Performance Pack as outlined in Section 3 – Detail (Performance) and Appendix 1.
- c) Note the current budget position for the ICT Shared Service as set out in Section 4.

3.0 Detail

Summary

3.1 The first phase of the Southwark transition to the Shared Service has been completed successfully, and we have now started work on the second phase. This report covers both the overall performance of the service over its first two months, as well as an outline of the plans for the second phase of the transition.

3.2 Although overall BAU performance has been consistently improving and user satisfaction ratings have been excellent across the board, we experienced a

high number of P1 incidents in December and January. This report will summarise the actions the Shared Service is taking to address this going forward.

- 3.3 Work to migrate our second Datacentre to Croydon is progressing, with the move planned to take place on the 24th of February.
- 3.4 The Shared Service is starting a restructure exercise to better address the needs of the expanded service. This is summarised separately in this report.

Performance

- 3.5 Attached to this report is a summary of the key performance indicators for the three councils.
- 3.6 The highlights of these statistics are as follows:
 - The overall SLA performance showed an increase between November and December and stayed at the same level for January.
 - The increase was most notable for Southwark that started at a lower level as the new service was bedding in, but within one month came in line with the performance of the other two councils.
 - Initial number of calls at Southwark was high and this was expected, as we were aware that the service was inheriting a backlog from Capita.
 - The volume of open calls, especially when comparing across the 3, would suggest that we have cleared the best part of that backlog.
 - The customer satisfaction across all 3 councils after the first month of service is excellent (NPS over 20 is considered good, over 40 is considered excellent).
- 3.7 It is interesting to note that the number of calls per user appears to be consistent between Southwark and Lewisham; Brent has been consistently higher to Lewisham since the establishment of the Shared Service and this is something that we have not to this day managed to explain. SOCITM suggests that the average among local authorities is around 1.1 calls logged per user per month, which is closer to the Brent figure. Lewisham showed a spike in January, this was associated to the service issues detailed in section 3.
- 3.8 The Shared Service will be engaging with SOCITM with a view to participating to next year's (2019) benchmarking exercise across London local authorities. The output of this exercise is a report covering both performance and value for money for the ICT service, showing how the services compare between authorities and highlighting areas of best practice. We will also be looking to repeat this every other year.

Service Issues

- 3.9 Over the last month we have experienced a high number of P1s that resulted in service outages and for the first time in the history of the service some data loss. Although the issues were not limited to Lewisham they appear to have been worse affected and have raised concerns about the service.
- 3.10 We have reviewed all the P1s in this period and have come up with a number of actions to mitigate against them reoccurring going forward.

- 3.11 The first changes that we have put in place are around process improvement. Both change management and the issuing of major incident reports were existing processes in the Shared Service, however due to a combination of resourcing issues and the pace we have been working on to update Lewisham's infrastructure were not consistently followed.
- 3.12 It has been acknowledged that although it was appropriate that we had to relax these processes to achieve the pace at which we had to remediate all the outstanding issues with the infrastructure at Lewisham, we have now reached a point where we need to change, and ensure we operate rigorous processes to maintain a stable ICT environment.
- 3.13 We have relaunched our Change Management process in the context of the expanded Shared Service, including all three councils in the process. Where before all changes were approved within the Shared Service technical teams, we are now operating a Change Advisory Board with representatives from the Digital and Application Support teams of all 3 councils.
- 3.14 Additionally, we are reinforcing the process across all Shared Service staff, with more rigorous review and documentation standards for complex changes, as well as taking a much stronger stance against unauthorised changes.
- 3.15 Finally, as one of the lessons learned from the P1 involving the CRM outage and loss of transactions at Lewisham, we are taking the change process a bit further, and on all complex change implementations we will be having a second technical resource, in most cases the change approver from the team responsible for the specific change, reviewing the actions of the change implementer, adding an additional level of quality assurance in the process and reducing the possibility of human error.
- 3.16 As of January we have started issuing Major Incident Reports (MIRs) for P1 incidents. These will allow us to document the causes of each incident, how we dealt with it, and produce lessons learned to mitigate against reoccurrence.
- 3.17 To reinforce this, we have introduced weekly meetings with the council leads from Lewisham and Southwark reviewing all MIRs, and we will continue those until satisfied that the process had bedded in.
- 3.18 Lessons learned from the MIRs are feeding into an action plan that is going to be monitored by the Shared Service Programme Board going forward once we stop having separate MIR review meetings.
- 3.19 Introducing more rigorous processes after a prolonged period of working under more agile but less structured arrangements will be a mindset change for a lot of the existing staff. We should not underestimate the challenge of achieving this, to ensure that we better embed these processes to the way we work but also to get ready to on-board new staff following the restructure into better working practices. At the same time we need to ensure we do not totally lose our agility and ability to deliver projects efficiently.
- 3.20 The restructure of the Shared Service with subsequent recruitment on all positions will help better support these processes. In the meantime, we have introduced three new posts with the role of Account Manager, to improve the relationship management and continuous improvement planning for the

individual councils supported by the Shared Service, and we are progressing the recruitment for these positions, and we have also recruited a Service Management Lead on a 6-month fixed term arrangement to provide additional management capacity until the restructure is complete.

Southwark Transition – Phase 2

- 3.21 The second phase of the Southwark transition consists of migrating all services to the Shared Service data centres and decommissioning the racks currently hosted by Capita.
- 3.22 As part of this transition the majority of Southwark's datacentre hardware is being replaced. All required hardware has been procured and delivered.
- 3.23 A key component of the migration is the upgrade of all operating systems, and where necessary applications, and any other remediation work necessary to ensure a secure and compliant IT infrastructure.
- 3.24 The project is needs to complete by October 2018, and within that timeframe we are prioritising all systems that need remediation work to meet required security standards.
- 3.25 A project plan has been produced covering all Southwark services residing across Spring, Cody and Tooley Street datacentres. The plan is aiming to complete work on systems that require security-related remediation by mid-June and complete the project by end of August.
- 3.26 This is obviously the highest risk part of the Southwark transition. The project will be monitored rigorously by a Shared Service / Southwark board meeting weekly.
- 3.27 The October deadline is critical as extending the hosting arrangements with Capita past that date would result in excessive costs for Southwark. As part of the project monitoring a decision will need to be taken at least two months prior to October on continuing with the service migration or scheduling an "as-is" move of the equipment out of the Capita datacentres.
- 3.28 It should be noted that, as in exactly what was the case with the Lewisham datacentre transition before, several key technical resources of the Shared Service will need to focus on this project and this may result in the need to delay other non-critical work.

Datacentre Move

- 3.29 We are finalising the arrangements for the move of the Slough datacentre to Croydon Council.
- 3.30 The move was originally planned for December, to take place prior to the end of the contract with Logicalis. We had however negotiated with them as a contingency the ability to roll over on a monthly basis at the same monthly cost.
- 3.31 The key prerequisites for the move was the installation of required data circuits to Croydon, the provision of adequate power in the Croydon racks, and the

completion of migration of all live services for both Brent and Lewisham to the Brent Civic Centre datacentre.

- 3.32 The data circuits have all been successfully installed, and Croydon have also provided the required power feeds to all cabinets. However, the migration of services encountered issues, and it was established that more time was required to complete it.
- 3.33 Additionally, with the service issues mentioned in section 3, it was decided that the Shared Service needed to focus on first completing the immediate action plan to stabilise the service before proceeding with this move. The project plan was revised to incorporate the action plan activities.
- 3.34 The move was rescheduled to the 24th of February, subject to the complete migration of services and completion of the action plan.

Update on Other Projects

- 3.35 The telephony project is being implemented for Brent and Lewisham during March and April, prior to existing contracts coming to an end at the end of April. This will replace all office and contact centre telephony with a cloud-based solution by a company called 8x8.
- 3.36 Implementation of 8x8 for Southwark will follow, looking to complete the project before the contracts for existing systems end: contact centre (Avaya) in November 2018 and office telephony (Mitel) in January 2019.
- 3.37 Work on the implementation of Microsoft Dynamics 365 CRM for Brent is progressing to plan, and Brent is preparing to start recruitment for an in-house team of CRM developers under its Digital Transformation team.
- 3.38 Our CRM development partner, Infosys, is also engaging with the company currently hosting Southwark's CRM environment, GDIT, to establish potential cost and timescales for migration to Dynamics 365, as GDIT are planning to stop providing the hosting service.
- 3.39 A project to replace Brent's desktop devices (thin clients and desktop PCs), identify flexible and mobile workers, rollout laptops to them and replace their old smartphones, is expected to start in March/April and take up to 6 months to complete.
- 3.40 We are working on a project to rollout WiFi, based on the same solution used in Brent and Lewisham, across several Southwark sites. The project is expected to complete in mid-2018.
- 3.41 We are planning to pilot a new laptop build for Southwark, the design of which will be informed by both the work on the Brent rollout as well as a joint procurement exercise for end user devices (see section 8 of this report). We anticipate testing among the Southwark IT team in May, with a wider Modernise department pilot in June.
- 3.42 The new laptop build aims to support new ways of working, and is expected to be a key component of the IT environment for new Southwark offices: Castlemead in September/October 2018 and Queens Road 4 in October 2019;

although clearly it is expected to be used in all other offices but with no specific rollout plans at this point.

Procurement Update

- 3.43 We have completed the procurement of a new Enterprise Agreement for Microsoft Dynamics CRM. The agreement is available to all 3 councils.
- 3.44 Brent has already purchased its licenses under this agreement, and LGA has also agreed to purchase from it. Lewisham and Southwark can benefit from the terms of the agreement but have no obligation to buy anything. There is a minimum 200-license commitment to enter the agreement.
- 3.45 The 3 councils are still reviewing the tender submissions for the joint Regulatory Services Software tender. We anticipate to award a contract in March as originally planned.
- 3.46 We are in the process of preparing a tender for all office and bulk printing for the 3 councils and the LGA. Currently Brent and Lewisham contracts end in mid-2019 and Southwark's in 2020. We are looking to award a contract before the end of the year, to allow enough time for planning the implementation, particularly taking into account the complexities of setting up bulk printing jobs, and have a phased implementation approach to allow for the different contract end dates.
- 3.47 Finally, we are working on the specifications for a tender for end user devices: thin clients, desktop PCs and laptops. The initial requirement is to provide equipment for the Brent desktop and laptop rollout project, for which funding has already been agreed, however since all 3 councils have ongoing requirements for these kind of devices we will be naming all 3 on the tender to ensure we get the best pricing based on overall anticipated volumes.

4.0 Financial Implications

4.1 The budget for the Shared Service for 17/18 is £9.6m. This represents full year for Brent and Lewisham and 5 months of Southwark costs. Additionally, it only includes the contracts novated to the Shared Service at this point in time.

4.2 This is broken down as:

Brent	£3,617,000
Lewisham	£3,837,000
Southwark (part year – 5 months)	£2,190,000

4.3 Currently Brent and Southwark are forecast to spend to budget.

4.4 There is currently an overspend of c£38k for Lewisham, which is attributable to residual variable (call) charges for telephony that had not been included in the original budget estimates, due to insufficient information on the historical cost of telephony at Lewisham. These costs will cease with the implementation of the new telephony solution by April 2018.

- 4.5 The Southwark transition is forecast to overspend by £79k (7%), which is within the original 10% contingency allowed in the budget. The hardware expenditure is currently showing an underspend of c£90k; however discussions around the possibility of upgrading the Citrix environment may result in that underspend being utilised for additional server capacity.

5.0 Legal Implications

- 5.1 This report is for noting. Therefore no specific legal implications arising from the report at this stage.
- 5.2 Brent Council hosts the shared ICT service, pursuant to the Local Government Act 1972, the Local Government Act 2000, the Localism Act 2011 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. These provisions allow one council to delegate one of its functions to another council as well as allowing two or more councils to discharge their functions jointly with the option of establishing a joint committee. Joint committees can in turn delegate functions to one or more officers of the councils concerned. Decisions of joint committees are binding on the participating councils. However, subject to the terms of the arrangement, the council retains the ability to discharge that function itself.

6.0 Equality Implications

- 6.1 A full equality impact assessment will be carried out as part of the restructure of the Shared Service. The equality analysis is completed in three stages (prior to the restructure proposals, post consultation and after the restructure has been implemented).

7.0 Consultation with Ward Members and Stakeholders

- 7.1 There are none.

8.0 Human Resources/Property Implications

- 8.1 The service currently employs 57 FTEs, 44 from the original Brent/Lewisham Shared Service, 11 transferred from Capita and 2 transferred from Southwark. This leaves us with 33 vacancies, and at this point in time together with the staff that are funded by the transition project we are employing 41 interims.
- 8.2 The number of vacancies stated above is based on a structure that was prepared by senior Shared Service managers, working within the budget envelope agreed at the time of establishing the 3-council Shared Service.
- 8.3 The key features of the proposed structure are:
- Additional management capacity in Infrastructure & Service Delivery.
 - Increased number of engineers across all disciplines.
 - Strengthening of Messaging, Collaboration and DBA functions.
 - Improved lines of separation between BAU and project resources.
 - Improved capacity for Change Management / Security / Processes and Systems development.

- Additional Programme and Project Management resources.
- Introduction of dedicated resource to improve communications.
- More structured arrangements and increased capacity for development work.

8.4 This structure is still subject to consultation with staff and trade unions and has not yet been shared outside discussions at management level.

8.5 We are planning to start consultation later this month. We need to proceed with the restructure as the current level of vacancies is impacting service levels, but inevitably due to the stages of consultation, internal selection and external recruitment, the whole process is expected to take us to June 2018.

8.6 As already mentioned in 3.20, we are working on recruiting some key posts to provide additional management capacity in the interim.

Report sign off:

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