



**Joint Committee of the London  
Boroughs of Brent, Lewisham and  
Southwark**  
15<sup>th</sup> October 2019

**Report from the Interim Managing  
Director of Shared Service**

**Shared ICT Service Update**

<b>Wards Affected:</b>	N/A
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	N/A
<b>No. of Appendices:</b>	One: Appendix A: Shared ICT Services Performance Pack
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Steve Tredinnick Interim Managing Director of Shared Service <a href="mailto:Steve.Tredinnick@brent.gov.uk">Steve.Tredinnick@brent.gov.uk</a>

## 1 Purpose of the Report

1.1 This Report provides an update on the Shared ICT Service.

## 2 Recommendation(s)

2.1 The Shared ICT 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 (Service Performance) and Appendix A

## 3 Detail

### Summary

3.1 Over the period since the Committee met, there have been 60 priority 1 incidents of which 48 were resolved within the service level agreement, work continues in this area to reduce the level of priority 1 incidents being experienced.

- 3.2 The volume of calls logged has remained consistently high, however the resolution figures continue to be good for Priority 4, Priorities 1,2 & 3 incidents require improvements to achieve the Service Level agreements.
- 3.3 Progress has been made in all areas of the Service Improvement Plan, with additional activities planned and in progress for the current period.
- 3.4 A vision and mission for the shared service has been introduced and the overall strategy for the next 3 years has been agreed.
- 3.5 A target operating model for the future operation of the service has been agreed by the Joint Management Board, this will now be subject to a future investment proposal through the appropriate governance of each participating organisation.
- 3.6 The governance model for the shared service has been fully ratified and the boards at the lower levels of governance are being implemented.
- 3.7 Progress continues to be made on key projects, a new methodology for project delivery has been presented to the Operational Management Board and is now commencing its implementation.
- 3.8 A number of key contracts have been successfully procured.
- 3.9 New financial management processes, procedures and reporting have been implemented leading to greater levels of information being provided to the finance contacts in the participating organisations.
- 3.10 An appointment has been made to the position of the Managing Director of the Shared ICT Service and a start date is currently being agreed for the new postholder.

### **Service Performance**

- 3.11 Over the period since the Committee met, there have been 60 priority 1 incidents of which 48 were resolved within the service level agreement, work continues in this area to reduce the level of priority 1 incidents being experienced.
- 3.12 Priority 2 and 3 incidents remain an area of concern with an average of 66% and 57% compliance with the service level agreements respectively, service improvement activities are ongoing in this area to reduce the level of incidents being received.
- 3.13 A new incident classification system has recently been introduced in order to effectively identify and target areas of high demand in the process.
- 3.14 Priority 4 incidents continue to perform well with a 81% compliance with the service level agreements.
- 3.15 The overall level of incidents logged remains high, but is consistent across the months, the number of open incidents is currently 2076 (as of 1<sup>st</sup> October) which has reduced from 2,754 in October 2018.

### **Service Improvement Plan**

3.16 An exercise was undertaken in January this year in order to combine the Service Improvement Plan and other unstructured improvements into a Continual Service Improvement(CSI) plan in line with ITIL best practice.

3.17 Since the beginning of this year a number of items included in the CSI plan have been completed and communicated to members of the Operational Management board including but not limited to:-

- Increase in resource supporting the service desk functions
- Review and modifications to the goods purchasing and stock management processes
- Review and modifications to the financial management reporting processes
- Review and instigation of revised governance model
- Introduction of management information and reporting tools to provide more transparency to the services.
- Introduction of management reporting packs which is currently being iterated to provide greater clarity.
- Completion of 7 of 8 phases of the Core Network upgrade
- Introduction of network, server and device monitoring tools
- Removal of GCSX legacy secure email system
- Introduction of additional security defence systems
- Review of licence management processes
- Definition and approval of Target Operating Model
- Creation of IT Strategy, pending distribution
- Categorisation of Incidents for greater trend and pattern detection
- Implementation of time recording systems to allow for the charging of service based on actual consumption

3.18 We also plan that further improvements are expected over the remainder of the year, including:

- Introduction of new project management controls
- Introduction of new security incident management processes
- Introduction of new customer service portal
- Introduction of automatic processes for triage and prioritisation
- Introduction of self-service password reset functionality for Southwark Council

3.19 An advisory audit conducted by Southwark Council identified some weaknesses in the Service Improvement plan which are being addressed by the service.

### **Service Strategy**

3.20 A new strategy for the Shared ICT Service has been agreed and is due to be published, this strategy sets out the direction of travel for the service and indicates the expectation of delivery from the partner organisations.

3.21 The strategy sets a mission for the service of “The Shared ICT Service provides secure, reliable and integrated technology solutions in alignment with the business goals, while delivering excellence in customer service.”

3.22 This mission statement has four priorities that the Shared ICT service will focus on:

- Build a solid platform
- Deliver a quality service
- Provide value for money
- Forge a lasting partnership.

3.23 The strategy has now been agreed by all of the participating organisations and is due for wider publication in October 2019.

3.24 This strategy document defines the scope and remit of the shared service which can be summarised into the following areas:

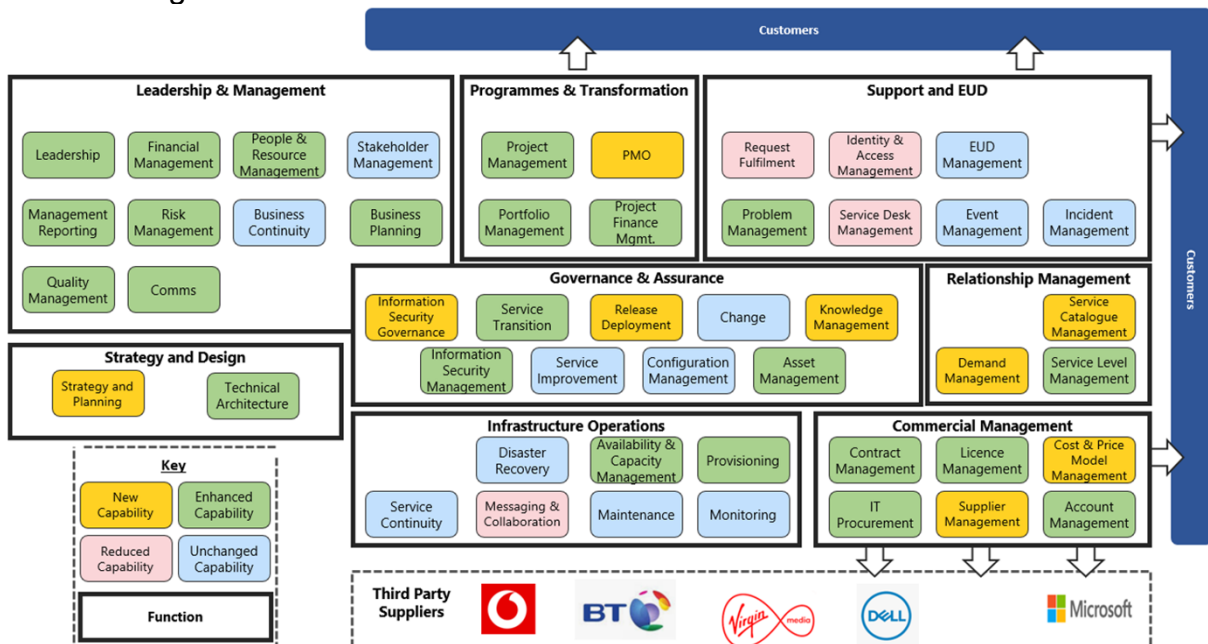
- Provision of Networking to all participating authorities
- Provision of server and compute services
- Provision of all operating systems
- Provision of database and web platforms
- Provision of user authentication services
- Provision of end user compute services (laptop, desktop, tablet and phones)

### Target Operating Model

3.25 A full analysis of both the Current Operating Model (COM) and Target Operating Model (TOM) has been completed to identify how the service should be operating moving forward.

3.26 The TOM identified that there is an under commitment in terms of resourcing and the model suggests that an additional 32 FTE may be required to deliver the service to the required levels.

3.27 The areas of the new TOM that require additional investment are highlighted in the diagram below:



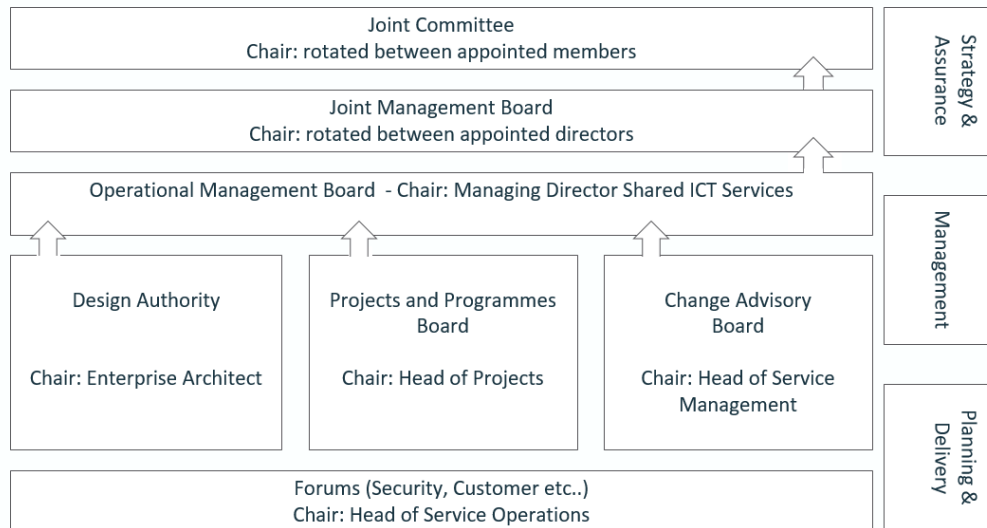
3.28 Now that the TOM has been agreed by the Joint Management Board, investment business cases and the appropriate governance will be completed to evidence

the need for the additional investment and associated FTE, this will be completed by the incoming Managing Director on appointment.

## Governance Model

3.29 The governance arrangements of the shared ICT service were reviewed over the first quarter of this year culminating in a new governance model being presented to the Joint Management Board in March 2019. This model is designed to ensure that decisions are being taken at the correct level and that there is accountability through the operation of the service.

3.30 The model is referenced below and has been agreed by all participating organisations.



3.31 The Terms of Reference (TOR) for the boards have been presented to the associated boards and decision making clarified, at present we are finalising the TOR for the Operation Management Board and instigating the Design Authority.

## Project Updates

3.32. Rollout projects for Laptops in the London Boroughs of Brent and Lewisham are ongoing, Southwark Council have completed a pilot and are currently planning for their deployment in line with their business priorities.

3.33. The managed print rollout continues to progress in line with its implementation plan.

3.34. The implementation of the Contact Centre telephony for the London Borough of Southwark has successfully completed, the wider roll out of soft phone telephony for general use is being considered in light of technology changes.

3.35. Seven of the eight phases of the Core network upgrades have been completed, the final phase is still being planned following an unsuccessful attempt at completing the change.

## Procurement Updates

- 3.36. The award of a contract for Veritas Netbackup was completed in June 2019 on behalf of Southwark Council.
- 3.37. The award of the contract for Citrix Support and Maintenance was completed in July 2019 on behalf of Southwark Council.
- 3.38. The award of the contract for Mobile Telephony was completed in July 2019 for Brent and Lewisham Councils.

#### **4 Financial Implications**

- 4.1 The Shared ICT Service had a declared overspend of £539,842 for the 2018 – 2019 financial year against a budget of £12,318,455, this was predominantly related to telephony related expenditure for Lewisham and Brent Councils and the inclusion of severance agreements due to staffing changes in the organisation.
- 4.2 In addition to this commencing in November 2018 KPMG were instructed by Microsoft to audit the London Boroughs of Lewisham, Brent and Southwark under the banner of the Shared ICT Service for licence compliance against Microsoft products.
- 4.3 This audit completed in May 2019 and we received the final audit outcome letter which gave an indication that there was a significant deficit in the licence position.
- 4.4 This position had developed due to a number of reasons of which mitigations have been put in place to prevent these from happening again.
  - Lack of governance around the creation of servers in conjunction with the licencing position, this position has been impacted by the removal of Software assurance against the current agreements which would have allowed for version movements.
  - Lack of understanding of licencing terms and conditions within the Shared ICT Service.
  - Some changes to Microsoft Licencing position where discussion regarding usage have previously been accepted have not been accepted by the auditors.
  - Lack of process that recognised that software such as Visio or Project is a consumable and needs to be charged in this way.
- 4.5 A negotiated deal was agreed with Microsoft to enable both the cloud migration and the licence deficit to be resolved.
- 4.6 This was agreed by all of the partner organisations and the work to comply with the terms of the settlement deal is currently underway.
- 4.7 The current financial position of the Shared ICT Service is considered to be stable, although a number of additional investments have been required due to changes in circumstance of new technology being required.
- 4.8 The total budget for non-contrallable expenditure is £6.47m and contrrollable expenditure (staffing and consultancy) is £5.51m as of financial year period 6 the

actual spend is currently £10.04m this leaves £1.94m in the budget for the remaining year.

- 4.9 In addition to this there is £1.37m to be recharged in consumerables and £3.24m in additional investment agreed, this in total leaves £5.19m in remaining budget, at the expenditure on 3<sup>rd</sup> party contracts is front loaded to the start of the financial year the current forecast for the Shared ICT Service is on line with the available budget.

## **5.0 Legal Implications**

- 5.1 This report is for noting. Therefore, no specific legal implications arise 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 No equality implications arising from this report.

## **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 There are none.

## **8.0 Human Resources/Property Implications (if appropriate)**

- 8.1 The Target Operating Model may indicate the need for a future restructure of the service, this will be presented with a business case by the incoming Managing Director.

**Report sign off:**

**PETER GADSDON**

Strategic Director of Customer &  
Digital Services