Report to:	Outsourced Services Scrutiny Panel
Date of meeting:	6 December 2017
Report of:	ICT Section Head
Title:	ICT Update

1.0 Summary

1.1. In June 2016 the councils' (Watford Borough Council and Three Rivers District Council) contract with Capita for the provision of ICT Services ended and a new mixed model for the provision of ICT (for which Watford Borough Council is the Lead Authority) was introduced with some of the service's functions delivered in-house and some delivered by third party contracts.

1.2. Since June 2016 we have been delivering a Core Infrastructure Transformation programme, which is an essential "ground up" refresh of our entire infrastructure at both Councils.

1.3. This paper provides an update on the delivery of the ICT service, progress made through the Core Infrastructure Transformation programme and an update on creating a permanent staffing structure.

2.0 Potential Risks

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
Recruitment to roles through the restructure may be unsuccessful due to the highly competitive nature of ICT recruitment locally and the comparative package we are able to offer.	1. Posts would continue to be filled by interim staff at increased and unbudgeted cost 2. Market factor supplements (which haven't been specifically included within the budget) would need to be applied	1. Benchmark jobs through evaluation against market rates for comparable roles 2. Engage a specialist IT recruitment agency to identify suitable candidates who are interested in filling these roles in Watford	Treat	6

The resourcing under the structure has been predicated on a reduction of issues to be dealt with by all teams as a result of the core infrastructure transformation and improvements in the ability of Amicus to resolve issues.	1. Service levels will not be able to be delivered Or 2. Resourcing will need to increase to deliver the required service levels	1. Ensure delivery of Core Infrastructure transformation programme to reduce the numbers of issues occurring 2. Continue work to upskill Amicus in resolving issues at first point of contact and therefore not requiring handoff to in-house resource	Treat	4
The Core Infrastructure Programme may overrun.	1. Expected benefits arising from the programme, particularly increased stability of the estate will be delayed. 2. Developments within the council, particularly the 2020 Programme, which are reliant on the programme's delivery will be delayed.	Robust Project and Programme management approach with detailed scrutiny from ITSG and the Watford 2020 Programme Board.	Treat	3

Through the contract revision process with AmicusITS which needs to be completed by June 2018 costs may increase compared to the modelled costs.	1. Additional budget would need to found to deliver the revised contract or 2. Further revisions (and reduction in scope / performance) would need to be completed to reduce costs to budgeted levels	Complete contract revisions as planned and assess the cost impact once this process has been completed and then determine further mitigating actions.	Tolerate	6

3.0 Recommendations

3.1. Committee to note the contents of this report.

Contact Officer:

For further information on this report please contact: Emma Tiernan, ICT Section Head

Telephone extension: 01923 727474   email: emma.tiernan@watford.gov.uk

4.0 Background

4.1. Watford Borough and Three Rivers District Council exited the Capita IT Services contract early on 30 June 2016.

4.2. Through transition the Councils procured a contract with Amicus IT services commencing on 1 July 2016 for the provision of the Service Desk. Our relationship with Amicus ITS was extended through the procurement of a network services contract following the introduction of the Service Desk. Both contracts are for two years, with an optional extension of two years.

4.3. The current in-house team is a mixture of six permanent employees (five of whom TUPE'd from Capita) and a number of contractors. This has been an appropriate staffing model throughout the transition period since June 2016; however this model is expensive and therefore a permanent staffing establishment needs to implemented.

4.4. The team is delivering a combination of Business As Usual (BAU) services, the Core Infrastructure Transformation programme and a large number of additional projects.

4.5. The Core Infrastructure Transformation programme is an essential "ground up" refresh of our entire infrastructure at both Councils. The programme will ensure we have up to date IT systems in place to enable everyone to work efficiently and that we are using secure systems and processes. It will also provide the platform to enable us to adopt new ways of working in the future, such as mobile and flexible working and support a transition to a modern telephony platform.

5.0 What are we trying to achieve?

5.1. Through 2016, the ICT service has been developing an IT Strategy (2017 to 2020), with significant engagement from officers. The strategy proposes the following vision for the ICT Service:

"Provide a stable and secure platform to support the effective and efficient delivery of services to customers."

5.2. Our business objectives are:

1. To provide a stable and resilient environment to support council services

2. To provide a secure environment, compliant with all legal information requirements

3. To support the councils by enabling them to provide more effective services and deliver them in ways that customers want to receive them

4. To enable council employees to work in a more collaborative, flexible and agile fashion

5. To support the aspirations of the users and provide a high-performing service

6. To reduce the total ownership burden associated with implementation and support of the ICT systems

5.3. To deliver this vision and these objectives we need to ensure that the ICT Service (as delivered through the agreed mixed delivery model) provides all the functions that would be expected of an ICT Service based on industry best practice models such as ITIL.

5.4. A proposed structure for the ICT Service was approved by Joint Management Board on 10 October 2017. A consultation exercise with staff on this proposed structure began on 15 November and is due to close on 15 December 2017. Full details of the proposed structure will be discussed at Cabinet on 4 December 2017. The new structure is planned to be in place from 1 April 2018; however the transition of some roles will be delayed until the completion of the Core Infrastructure Transformation (by September 2018) as the risk of changing key individuals at this stage of the programme is assessed to be too great.

5.5. The proposed structure maintains the mixed delivery model that is already in place

and we are therefore looking to continue the partnership with AmicusITS. The AmicusITS contract review point is December 2017, and the ICT Section Head has proposed an extension of two years, which takes the contract end point to June 2020. This is subject to agreement by Senior Officers at IT Steering Group on 28 November 2017.

6.0   Core Infrastructure Transformation programme

6.1.   The Core Infrastructure Transformation, which is required in order to transform how the Council works, has been focusing on the following over the past 11 months

1. Designing and procuring across multiple work streams to upgrade and improve the following areas:

    a) Core network e.g. how all the computers talk to each other and the outside world

    b) Email services

    c) Active directory e.g. our master user and security database

    d) Removing XP desktops completely and replacing those with Windows 7 or Windows 10

    e) Storage e.g. our storage solutions are end of life (2017), replacing those with modern, flexible, more cost effective solutions

    f) Replacing backup infrastructure

2. The building of:

    a) New email servers

    b) New active directory servers

    c) Business engagement to help build the new active directory structures

    d) New virtual servers

    e) Standardising infrastructure builds in multiple areas and documenting these

    f) Patching all Windows servers to ensure the latest critical updates have been applied

    g) Decommissioned over 100 out of support servers

    h) Removed all XP machines

    i) Implemented additional security monitoring

6.2.   Work continues on the Core Transformation Programme through to May/June 2018.

6.3.   In addition to the Core Infrastructure Transformation the team has also been working on and delivering a variety of line of business application upgrades and service side projects. Some of examples of these are:

a) Shared Income Management system upgrade

b) Implementation of new WBC legal case management system

c) Rolling out surface pro devices to all WBC and TRDC members

d) WBC WIFI – Roll Out

e) TRDC WIFI – Roll Out

f) IT Infrastructure at Cassiobury Hub (WBC)

g) IT Infrastructure at RiverTech (TRDC)

h) Implement a new ticketing system, TRDC Watersmeet Theatre

i) Implement a new Booking system, TRDC Watersmeet Theatre

j) Migrating revenues and benefits systems to a part of the network with enhanced security and stability

k) Conversion of old Access Databases to Access 2013

l) Expansion of the new remote working solution, CISCO VPN

7.0   Current Performance

7.1.   Amicus ITS have the following contracted key performance indicators:

a) Resolution/closure of 80% of all incidents/service requests logged

b) 45% first time fix.

7.2.   The closure rate of the AmicusITS team averages at 68% of total calls for Q1 of 17/18. This has remained a consistent figure since February 2017. Therefore up until September 2017 Amicus had not been meeting their contractual obligations of the resolution of 80% of all incidents logged. However it is important to note that at the time the contract was negotiated in the early part of 2016, this was agreed by both parties as an aspirational figure as no reliable baseline data was available at the time of transfer. In partnership with AmicusITS we have focussed on that transition activity which is now evident in the last two months of figures provided where the call closure rate was 82% and 78% for September and October.

7.3.   Amicus' performance is significantly better than the previous provider and this is supported by the customer satisfaction feedback. The call closure rate is monitored closely via regular meetings, as a minimum weekly, between our Service Delivery Manager and the AmicusITS Service Delivery Manager. These meetings review calls

types and agree where documentation and handover needs to occur.

7.4.   In reviewing the Amicus performance we look at a number of other pieces of data each month, which include, the average time a user waits before speaking to the Service desk. In July 2016 this was 1 minute 58 seconds, in September 2017 this was 2 minutes 13 seconds. We also interrogate the time each ticket is held with the Amicus Service Desk before transferring to the W3R on site team. This impacts call closure rates in relation to service levels. September 2017 figures show that 84% of all tickets transferred to the W3R on site team have over 50% of the service level remaining.

7.5.   Through a combination of an improved partner and the delivery of the Core Infrastructure Transformation programme the stability of the estates has improved significantly. This can be seen in the number of major incident reported. Major incidents are those where there is a complete loss of service for a particular part of the estate or for a line of business application for example Academy for Revenues and Benefits. In September 2016 we were reporting 32 severity one and two incidents. 27 were reported in December 2016. We are now consistently within single figures reporting 8 in July 2017 and 7 in September 2017.

7.6.   In addition significant work has occurred across the BAU service, in-depth discovery exercises, documenting the estate, in particular the assets and creating processes and procedures.

8.0   Performance in the future

8.1.   A review of key performance indicators across the entire ICT service is underway. We are considering operational level agreements within each area of the team - Desktop Services, Infrastructure Services and Projects to provide all our customers with a clear understanding of what they can expect from the service. Importantly we want these new indicators to measure and evidence when we are being successful in delivering the core requirement of the service (i.e. a stable, fit-for-purpose infrastructure) rather than just measuring how well we perform in fixing things that go wrong (as under the current indicator set).

8.2.   We anticipate that these new indicators will be in place from the beginning of the 2018/19 financial year.

9.0   PSN Compliance

9.1.   Both Councils were awarded their PSN compliance on 25 August 2017.

9.2.   We submitted our Code of Connection for PSN on 31 July 2017, as agreed with the Cabinet Office. Until that point we provided our Cabinet Office assessor with regular updates as to the progress with our Core Infrastructure Transformation programme. An IT Health Check was commissioned in June 2017 and then focus placed around remediation of those HIGH and MEDIUM risk areas in order to submit for an assessment for our PSN compliance. Our IT Health check was performed against 75%

of our estate and the minimum requirement is 10%.

9.3. By the submission deadline we had closed:

    a) 21 out of the 29 HIGH risk areas

    b) 9 out of 30 MEDIUM risk areas

    c) 10 out of 23 LOW risk areas

9.4. Work to reduce the HIGH risk parts of the estate continues. Since being awarded our PSN certificates the team has patched the entire server estate, comprising of over 200 servers with all third party patches required. We continue our decommission programme and so far have removed 101 servers from the estates.

10.0 Implications

10.1. Financial

10.1.1. The Head of Finance comments that any financial implications arising from the implementation of the new ICT structure will be the subject of budget bids and form part of the budget setting process.

10.2. **Legal Issues** (Monitoring Officer)

10.2.1. The Head of Democracy and Governance comments that the implementation of the new ICT structure will be undertaken in accordance with the council's management change framework.

Appendices

None.

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

• None