

Newport Scrutiny Meeting December 2022

DATE: Wednesday 7th December

SUBJECT: Scrutiny Update

Report Submitted by: Matt Lewis (Chief Operating Officer SRS)

Report Written by: Matt Lewis (Chief Operating Officer SRS) in consultation with SRS SLT and Newport Digital Team

1. Area Affected

1.1 City wide for Newport City Council.

2. Purpose of Report

2.1 To provide the Newport Performance – Partnerships Scrutiny panel with an update on three key areas:

- An overview of the SRS (section 3)
- Governance Arrangements (section 4)
- Performance 21/22 (section 5)
- Major initiatives (section 6)

3. Background

3.1 The Shared Resource Service (SRS) is a collaborative IT Service comprising Gwent Police, Torfaen County Borough Council, Monmouthshire County Council, Blaenau Gwent County Borough Council and Newport City Council (NCC). Following recommendations by Community Development and Development Scrutiny Committee, in March 2016 Newport Cabinet agreed to establish a collaborative public sector partnership with the SRS.

Following further development of the business case, NCC's IT Service formally joined the Shared Resource Service on 1st April 2017. In July 2019, the strategic board agreed to a 'Memorandum Of Understanding' extension of five years, this will take the end of the agreement from July 4th 2021 to July 4th 2026.



The service has been part of this partnership since April 2017. A report was presented to Partnerships Scrutiny Committee in April 2018 and 2019 and in December 2020 and 2021. Following feedback from the Committee, the structure and content of this report has been amended accordingly.

- 3.2 Looking at the last year, there has not been, in the history of the SRS, nor indeed the internet, such a massive and sudden shift in the way we all expected to use and rely on technology as in the last few years. With so many of us having been unable to meet in person, our ways of working suddenly shifted from direct contact to having meetings and working virtually overnight.

Whether it was holding team meetings, running Emergency Response Team (ERT) meetings, social services settings, teaching children remotely or making sure our staff were coping in partial lockdown, people were using their technology in a way and to an extent they had never done before.

The SRS itself maintained relatively low levels of COVID positive staff and we were able to continue to deliver services effectively in the remote working position. However, for other teams, they had to continue to work through the challenges and find new ways of working on the various sites they needed to be at.

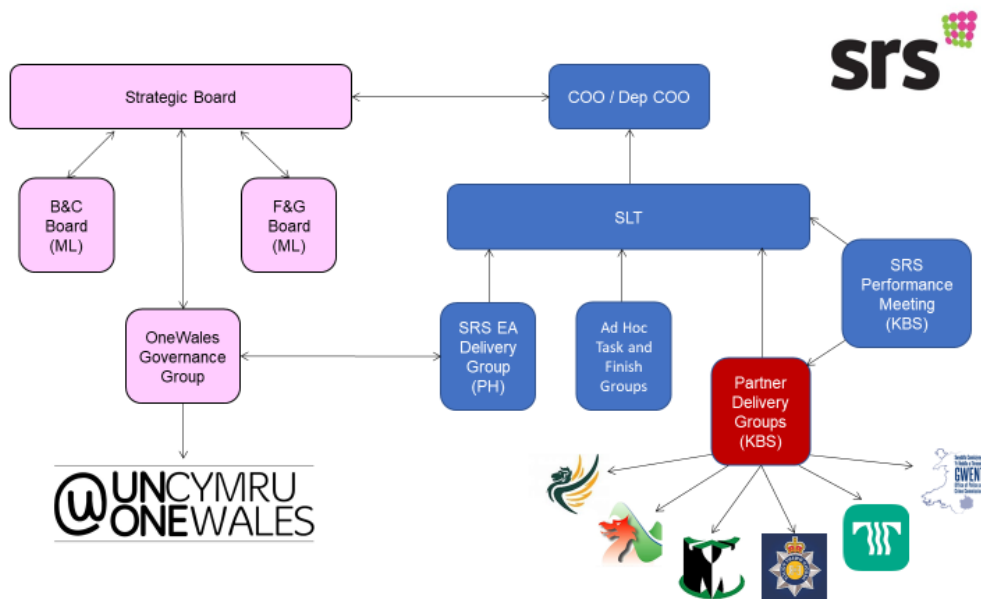
As this report will show, our performance remained relatively unaffected by the remote working position, which in light of the volume of requests coming through at one point is remarkable. The project and core functions schedules were hugely impacted across Corporate and Education teams due to the significant shift in demand to enabling new ways of working, having to find new solutions to very different problems and having to continually pivot to meet new demands at short notice



4. The Governance Arrangements and the 22/23 Budget

4.1 The SRS is governed as show in the diagram below. This is how we ensure that Newport's views and needs are represented across everything that the SRS delivers.

The left hand side is all of the Boards that the SRS engages with and Newport has representation on all of those groups. The red block on the right hand side is each partners specific monthly meeting where we agree priorities and discuss performance.



4.2 Financial Governance

The SRS has its budget approved on an annual basis by the Finance and Governance board which includes Section 151 representatives from all five partner organisations, including Newport.

SRS spend is categorised within two headings, controllable and non-controllable.

- Controllable spend relates to staffing, data halls and shared costs of running the service.



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- Non-controllable spend are those that the partner authority has responsibility, such as contract requirements, PSBA and data lines, net of any SLA and other Income.

See the breakdown for 2021-22 below.

SR2025 Newport City Council 2021-22			
Account Description	Budget	Outturn	Variance
CONTROLLABLE	1,360,221	1,356,221	(4,000)
NON CONTROLLABLE	1,700,176	1,457,176	(243,000)
TOTAL	3,060,397	2,813,397	(247,000)

4.3 The Financial Forecast (2021-22)

The 2021-22 financial outturn delivered savings which are held in Newport only reserves and these areas can be broken down in greater detail for the purposes of scrutiny.

SR2025 Newport City Council 2021-22			
Account Description	Budget	Outturn	Variance
Salaries	1,759,592	1,759,592	0
Vacancy Factor	(35,192)	(35,192)	0
Salaries Overtime	15,000	15,000	0
Call out and Standby Allowance	11,960	11,960	0
Contracts	998,625	879,625	(119,000)
Voice Network	514,000	385,000	(129,000)
PSBA	187,551	192,551	5,000
Rack Rental Recharge	10,476	10,476	0
Shared Costs Apportionment	127,798	127,798	0
Support Service Costs	24,572	24,572	0
Income	(553,985)	(557,985)	(4,000)
GRAND TOTAL	3,060,397	2,813,397	(247,000)

An additional £247k has been generated in reserve funding due to:

- Contract underspend of £119,000, mainly due to:
 - o Microsoft Licences saving £42,000
 - o replacement of internet filtering £15,000
 - o Storage device contract not being renewed £33,000
 - o a reduction in contract price for monitoring tools £15,000



- Data Lines savings of £129,000, due to changes in supplier service provision and reduced line requirement.
- PSBA overspend £5,000, mainly due to additional lines and upgrades requested.
- Additional SLA Income £4,000

4.4 Newport reserves

Each year the SRS may generate an underspend in relation to a specific partner. Since joining the SRS, we have generated a Newport specific reserve fund which currently stands at £521,184. This reserve is held and utilised for service improvement in agreement with Newport for Newport benefit only and we are working on joint plans for its use to develop technology.

4.5 Auditing the SRS

This section of the report outlines the internal audit work we have carried out for the year ended 31 March 2022.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control).

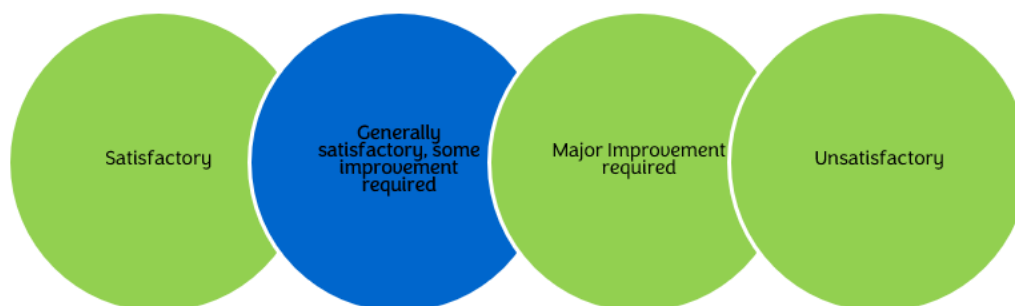
This is achieved through a risk-based plan of work, agreed with SRS management, which should provide a reasonable level of assurance. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

Head of Internal Audit Overall Opinion

"We are satisfied that sufficient internal audit work has been undertaken to allow an overall opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion. it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control."



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The table below sets out the results of the internal audit work and the system opinion for each individual audit assignment plus any implications for next year's plan. Audit also include a comparison between planned internal audit activity and actual activity.

Results of individual assignments

Ref	Review	Opinion	Controls Tested	% in place	No of Findings		
					Hi	M	L
SRS – 21001	EdTech (System)		70	94.29		4	
SRS – 21002	Business Management (Follow Up)	Opinion level increased from SUBSTANTIAL to FULL.	9	100.00			
SRS - 21003	Data Centre (Follow Up)	Opinion remained FUL	28/2	100.00			
SRS - 21004	IT Governance (System)	FULL	44	97.73			1
SRS - 21005	IT Service Continuity (System)	FULL	23	95.65			1
SRS - 21006	Application Integration Service (System)	SUBSTANTIAL	23	86.96		1	2
SRS - 21007	Identity & Access Management (System)	SUBSTANTIAL	43	88.37		5	
SRS – 21008	IT Disposals (Follow Up)	MODERATE	10 (8)	50.00		3	2
SRS – 21009	Mobile Computing (System)	SUBSTANTIAL	9	88.89			1
SRS – 21010	Performance Management (System)	SUBSTANTIAL	13	76.92		1	2
Totals			244			14	9



4.6 Risk Management

The SRS manages risks through the Finance and Governance (F&G) Board and through the Business and Collaboration (B&C) Board as agreed with those Boards. The split of risks across the Boards is documented below:

F&G Board manage:

Legal / Statutory Obligations
Reputational
Assets and Property
Financial

B&C Board manage:

Technology and Innovation
Improvement and Performance
Emergency Management
Major Projects

Each Board takes a decision at each meeting as to whether any risks require escalating to the Strategic Board at each quarterly meeting.

The risks consistently escalated to the Strategic Board have been:

- Global supply chain.
- Cyber Security load and awareness.
- Recruitment, reward and retention.



5. Performance Update

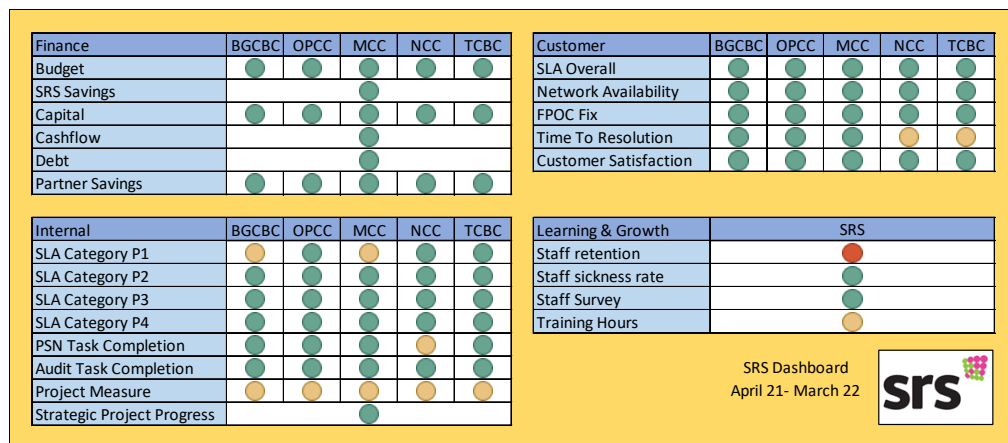
5.1 Investment Objectives background

The eleven original investment objectives in the business case have been signed off at previous partnership scrutiny meetings and the future of the partnership is about the SRS delivering what Newport needs in a business as usual basis. The performance section moves investment objective four into business as usual and shows how well the Service Level Agreement (SLA) is being on a regular basis.

The remaining objectives become delivery of Newport’s projects and services for which there are many examples of positive delivery detailed in section 6.

SLA Whole Year All Partner Dashboard

The following sections use heat maps and uses the principle that the darker the green gets, the better the service to our customers. Amber and / or red do not necessarily mean we have not met a target, it just means that across the year they are the lesser performing months.



SLA Overall

Below shows the overall SLA measures by month across the whole year of April 2021 to March 2022 for each partner. As can be seen here, the progression through the year shows a darker green. This means that we are delivering better services as the year goes on.

Calls Resolved Against SLA	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
NCC Overall	93	94	94	95	95	93	92	92	96	98	97	98	96
NCC Platinum	87	90	89	89	90	88	85	82	82	92	93	97	92
NCC Gold	92	72	85	95	97	86	92	87	89	96	98	94	94
NCC Silver	100	100	96	98	96	96	98	96	96	100	98	98	96
NCC Bronze	94	96	96	96	96	94	94	95	96	99	99	99	99



First point of contact (FPOC)

An important measure defined by all of our customers is the percentage of calls fixed at the first point of contact (FPOC). This means that the first person spoken to can resolve the call rather than it having to be passed off to another person or having to wait for a call back. It takes a lot of time and effort for our staff on the Service Desk to learn the common calls for five partners and to be able to respond to them effectively, even more so with the high level of turnover in that area. Below shows that turnover well, the results have generally stayed the same, probably more consistent than at the start of the year with some dips throughout. The majority of months the target is met and where it is not, it is due to higher volumes of new starters in the Service Desk and that learning process.

% Resolved at 1st POC	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
NCC	81%	70%	78%	76%	74%	77%	75%	72%	75%	78%	82%	76%

Customer Satisfaction

Each time a call is closed the customer has an opportunity to complete a survey which comes back to us at the SRS. Those surveys are collated each month and presented back to each individual delivery group to show them the view that their own staff have of our service. The return rate of surveys is usually low compared to the number of calls per month simply because people tend not to have time to fill a survey out. With that in mind we have made the surveys far quicker and simpler to fill out over the last six months with a view to increase the level of feedback and to ensure our services can improve further. We feel that the below really highlights how well the customer service training has gone and how much better our staff are at dealing with calls. Through a very challenging year the SRS has managed to improve the level of customer satisfaction and we seek to improve further on those figures in 2022-23.

Customer Satisfaction	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
NCC	66.26%	71.65%	67.18%	66.35%	61.27%	63.82%	60.00%	75.00%	67.00%	90.00%	82.00%	93.00%



6. Major Initiatives

6.1 COVID support and Office 365 services

The pandemic continued to have a considerable impact into 2021-22 and the SRS supported throughout the entire period. Office 65 services, particularly Teams, were very well used and have proven very successful in the move to remote working. For Newport this was essential.

6.2 Newport Data Centre Migration

Move partners to an alternate physical data centre and decommission the current Blaenavon data centre and alternate computer rooms by the end of FY 2022-23 saving approximately £4M based on Net Present Value calculations.

- An incredible effort to get Vantage procured and installed by the end of December 2021 and all equipment commissioned and live by January 2022
- Blaenau Gwent migration started at the end of January 2022 and completed May 2022
- TCBC / MCC started March 2022 and ended October 2022
- NCC started October 2022 and planned to be complete prior to the end of FY 2022-23
- Truly shared environments and infrastructure

6.3 Cloud Telephony

Migrate all partners (LA, Police and Edu) to cloud telephony, cloud contact centres and cloud switchboards by the end of 2023, reducing the overall cost by replacing the need for capital investment with a lesser ongoing revenue cost.

- We have started testing Teams Telephony with Newport users

6.4 Cloud Storage

Migrate all partners (LA, Police and Edu) to Sharepoint Online by 2023 and remove the need for on premise storage therefore reducing cost.

- Sharepoint online, the Newport Intranet has been successfully migrated



6.5 Education

There are three major updates for Education:

1. Device rollout as part of EdTech

The SRS has rolled out over 5,500 devices across the four Authorities in the financial year 2021-22 with 2849 of those being in Newport. The full breakdown is shown below and this has been based on putting schools needs at the heart of the work. The numbers are representative of the size of the Authority, the schools and therefore the funding granted by WG as part of this wave of funding.

	<u>NCC</u>
Laptop	111
Desktop	122
Monitors	110
Chromebooks	1823
iPads	334
Macbook Pro	14
MacMini	15
Charging Trolley	86
Projectors	129
Screens	105
	2849

2. SLA sign ups for three years across all partners

The SLA has been a contentious issue in all LA's for a number of years. We moved to a one year SLA prior to COVID as schools were considering stepping away from the service. There has been a dramatic turnaround driven by our willingness to develop a Partnership Strategy with schools which puts their needs at the heart of the service. As a result of this we now have all schools signed into three year SLA's and we also have had some schools return to the service that were out of SLA when their Authority joined the SRS.

3. Education Data Centre Migration

The Education provision has also migrated to the new data centre in Vantage. The difference here is that Education did not have new equipment which meant we had to reuse everything from



Blaenavon and take it to Vantage in Newport. Whilst not in this financial year the work will take place between July 23rd and August 5th. The work was originally planned for the end of the 21-22 financial year but due to ongoing pandemic disruption to schools we consulted with Headteachers and we agreed to move the work to the summer term.

6.6 Net Zero contribution of the SRS

Data Centre Footprint - the extensive work involved in moving from multiple provisions across all Local Government partners into one footprint in the new Vantage data centre has reduced the environmental impact of four separate implementations.

Data Centre Energy - the four separate provisions all used energy in different ways and it is fair to say that the Newport computer rooms were energy inefficient. Even the well specified Blaenavon facility is less efficient than the new Vantage provision due to improvements in technology. When the migrations are complete towards the end of Q4 2022-23, the SRS will be able to compare the previous energy usage to the total consumption in the new location and provide an estimate of the energy reduction impact. In addition to this, the Vantage data centre uses 100% certified renewable energy.

Moving to Sharepoint Online for MCC / NCC / OPCC - by moving large amounts of on premise Sharepoint functionality into Office 365, the SRS has been able to remove large amounts of infrastructure across the organisations. This reduces energy consumption and physical footprint.

6.7 Social Value

The SRS has recently started taking on apprentices from the local area and we hope to grow this scheme into a wider group of apprentices over the coming year.

Disposals contract – we embedded a new disposals policy which reduces our carbon footprint and saves money, devices are now recycled into the community instead of being destroyed and still meets all security requirements.



