<u>Newport Scrutiny Meeting October 2023</u>

DATE: Wednesday 4th October 2023

<u>SUBJECT</u>: 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. <u>Area Affected</u>

1.1 City wide for Newport City Council.

2. <u>Purpose of Report</u>

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 22/23 (section 5)

- Major initiatives (section 6)

3. <u>Background</u>

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, 2021 and 2022. Following feedback from the Committee, the structure and content of this report has been amended accordingly.

3.2   New Target Operating Model

The SRS has created a new target operating model to position itself to best respond to the challenges identified which include:
- financial pressures
- resilience challenges
- professional opportunities
- reducing the team lead roles allowing technical staff to focus on technical excellence
- need to align standards across the whole SRS customer base
- high turnover rate of senior technology staff
- OneWales consistency, not uniformity

SRS is now able to reward technical excellence in a different way to the past. The implementation of career grades / job families at the SRS which will give SRS staff a path for technical roles and managerial roles. It will allow us to progress staff into vacancies more effectively than we have in the past.
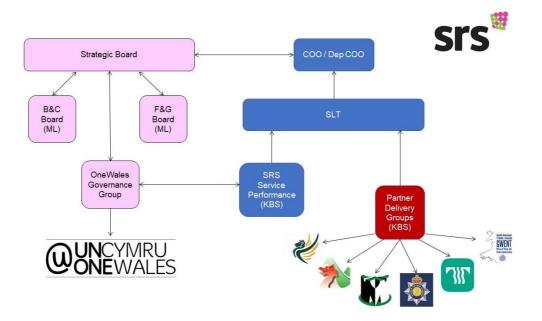
The SRS remodel will respond to the challenges identified in the following ways:
- by bringing all professions together into single streams we will improve resilience
- by implementing career grades, job families and Strategic Technology Advisor roles we are providing new and simpler professional opportunities and attempting to slow or remove the pace of staff leaving for other roles
- reducing the team lead roles will allow technical staff to focus on technical work and provide a more consistent team lead function
- aligning standards across the whole SRS customer base will improve resilience
- OneWales consistency, not uniformity will ensure that we work the same way across our entire customer base

4. <u>The Governance Arrangements and the 22/23 Budget</u>

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 <u>Financial Governance</u>

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.

- 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 2022-23 below.

Newport City Council			
	Budget	**Outturn**	**Variance**
Total Core Services (SRS)	2,073,247	2,073,247	0
Total Core Services (Partner)	1,073,055	926,055	(147,000)
Total Contribution	**3,146,302**	**2,999,302**	**(147,000)**

This £147,000 helped contribute towards the Council's overall savings last year which was a very positive outcome.

In addition to this £147k Newport also chose to vire £60k back to Newport as an additional saving to contribute to the overall Newport savings targets. The SRS continues to contribute to targets this year also.

4.3 <u>The Financial Outturn (2022-23)</u>

The 2022-23 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.

Account Description	BUDGET	OUTTURN	VARIANCE
Salaries	1,908,715	1,908,715	0
Vacancy Factor	(31,683)	(31,683)	0
Salaries Overtime	15,000	15,000	0
Call out and Standby Allowance	11,960	11,960	0
Rack Rental Recharge	10,619	10,619	0
Shared Costs Apportionment	133,450	133,450	0
Support Service Costs	25,186	25,186	0
TOTAL CONTROLLABLE	**2,073,247**	**2,073,247**	**0**
Contracts	1,030,916	966,916	(64,000)
Voice Network	480,000	403,000	(77,000)
PSBA	184,464	178,464	(6,000)
Income	(622,325)	(622,325)	0
TOTAL NON CONTROLLABLE	**1,073,055**	**926,055**	**(147,000)**
GRAND TOTAL	**3,146,302**	**2,999,302**	**(147,000)**

The £147,000 saving was driven by the following:

- Contracts savings of £64,000, mainly relating to IBM Spectrum Protect contract now amalgamated £34,000, Barracuda EU & IR contract not renewed £32,000, VM Ware contract not renewed

£14,000, Vantage contracts savings £10,000, IBM DR support V5000 contract not renewed £8,000, IBM & Lenovo contract no longer required £6,000 and other contract savings amounting to £11,000.

- *Offset by* additional costs not budgeted for RKM Software and CSI Ltd consultancy £10,000,   Azure support £6,000, O365 overspend £5,000, additional hardware SAN switches £4,000, Barracuda new agreement Virtual Server Licences £4,000, Orange Cyberdefence Checkpoint Firewall £4,000, IBM UK Storewise £4,000, Zengenti Contensis prepayment £3,000, NTA Monitor additional testing £2,000 and other contract overspends amounting to £9,000

- Data line savings of £77,000, due to realigned costs to previous years and reduced requirements.

- PSBA savings of £6,000, due to changes to line requirements

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 £548,881. This reserve is held and utilised for service improvement in agreement with Newport, for Newport benefit only, when working on joint plans for its use to develop technology and to support the development of the SRS.

As an example, this year Newport will draw on this reserve to fund the Newport website redevelopment work that is currently ongoing. This is seen as a positive use of reserve funding and would be money that Newport would have had to find internally to carry out the work so in essence is a significant saving for Newport Council's own budget.

In 2022-23 the following was drawn from reserves in year:

- Quantum toolset to review Microsoft requirements £1,500
- Audiocodes SBC's £7,000
- Pay award contribution supporting the additional staffing costs incurred £37,000
- Draw on reserves for use on internal projects £60,000
- Unified Support contract £4,000
- Cyber resource contribution £10,000

Newport currently holds £121,982 in capital reserves to support the future refresh of the infrastructure in Vantage

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 2023.

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."

Satisfactory	Generally satisfactory, some improvement required	Major Improvement required	Unsatisfactory

Defined as:

▪ A limited number of medium risk rated weaknesses may have been identified, but generally only low risk rated weaknesses have been found in individual assignments; and

None of the individual assignment reports have an overall report classification of either high or critical risk.

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	Num Tested	%age in place	No of Findings		
				H	M	L
SRS – 22002	**Change Management (System)** *SUBSTANTIAL*	6	83.37		1	
SRS – 22003	**SOC/SIEM (System)** *FULL*	14	100			
SRS – 22004	**Firewall (System)** *FULL*	25	92		1	1
SRS – 22005	**Virtualisation (System)** *FULL*	15	100			
SRS - 22006	**O365 (System)** *FULL*	35	97.14			1
SRS - 22007	**Financial Regulations (Special)**					
SRS – 22008	**Data Centre (System)** *FULL*	83	100			
SRS – 22009	**ISMS (Follow Up)** *FULL*	14	100			
SRS – 22010	**IT Governance (Follow Up)** *FULL*	1	100			
SRS – 22011	**ITSCM (Follow Up)** *FULL*	1	100			
SRS – 22012	**Mobile Computing (Follow Up)** *FULL*	1	100			
SRS – 22013	**Performance Management (Follow Up)** *FULL*	3	100			

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.
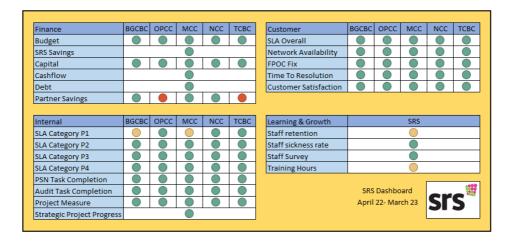
5.   Performance Update

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 examples 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	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
NCC Overall	95	95	97	98	99	96	97	96	95	96	98	97
NCC Platinum	91	88	92	95	96	87	92	92	90	87	95	94
NCC Gold	95	100	100	100	100	98	98	95	85	95	98	89
NCC Silver	100	93	100	98	100	100	96	100	100	100	100	98
NCC Bronze	100	99	97	99	100	98	99	98	97	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 that 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	Current Month	Average
NCC	88	88.75%

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	Current Month	Average	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
NCC	93.00	89.81%	70.00%	92.00%	89.00%	87.00%	98.00%	87.00%	92.00%	92.75%	93.00%	92.00%	94.00%	91.00%

6.   Major Initiatives

6.1   DRUVA

We have implemented a new product called Druva in March 2023 to enhance the backup and recovery of our data in Microsoft Office 365 products (such as Email, OneDrive, SharePoint and Teams). This product stores our data securely and separately in a UK-based cloud service called AWS, where it is fully encrypted and protected. We have tested the product successfully by restoring our data from the backup. This product also aligns with our green goals, as AWS uses renewable energy sources in the UK.

6.2   Cyber security initiative SOC/SIEM

The SRS and its partners are all very aware of the high level of risk that exists around cyber attacks.

A SIEM stands for Security Information and Event Management and is a toolset that collects various types of log data and events for:
   a. Security monitoring
   b. Threat detection
   c. Digital forensics
   d. Security incident response
   e. Regulatory compliance
   f. System management
   g. Application troubleshooting

A SOC is a Security Operation Centre which is a team of specialised people who managed a toolset with the aims of:
   1. Detection and response to threats
   2. Increase resilience
   3. Identify and address negligent or criminal behaviours
   4. Derive business intelligence about user behaviours, to, shape and prioritise the development of secure technologies

The whole purpose of the toolset (SIEM) and the SOC (team) is to prevent any compromise to our systems in the first place.

6.3   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
- Migration activities for NCC's systems and infrastructure commenced on 25th Oct 2022 and these were completed on 17th June 2023. NCC is now using the shared infrastructure to deliver its ICT systems from the Vantage Data Centre after successfully completing the migrations from Civic Centre. A second phase of the project is now in progress to move the migrated SQL Databases onto a shared SQL server cluster environment within Vantage.

6.4   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.

- NCC currently have 136 users migrated to use Teams telephony, and SRS are waiting for the project to collate the next batch of users / info along with the purchase of however many Teams telephony licences will be required. This is in progress with no concerns raised and no negative feedback received from the NCC users already migrated over to Teams Telephony to-date.

6.5   Implementation of New Service Desk for SRS Partners.

In May of 2022 a team of SRS staff attended the SITS show (Service Desk & IT Support) in London where they had demos of different ITSM solutions to get an idea of what is being offered by competitors to our current offering (Alemba Service Manager). The decision was taken to go out to market to procure a new product to facilitate our growth and improve on what we currently have.

After a lengthy procurement process, Halo Service Solutions was chosen in January 2023 as the supplier for our new IT Service Management Solution.

Key technical requirements for the new system were;

- Single portal for schools and corporate with access controls.
- Improved reporting and workflow management.
- Multiple integrations 'out of the box'.
- Improved, simplified and targeted surveys for customer feedback.
- A more up to date interface and the capacity for future AI integration.
- Cloud hosted.
- Supplier support for the product including a comprehensive roadmap for development.

The timeline for implementation was aggressive and a team of staff, under the direction of the service manager, worked through product specification, project planning, installation, training, user acceptance testing and finally the launch.

The whole process took 6 months and we are already seeing positive comments for survey completion numbers, portal usage, customer feedback and general usability. The feedback from Newport staff is very positive on this new toolset and we feel this was helped by a number of Newport staff being on the demonstration settings and actively contributing to the scoring and selection of the product.

6.6   Capital refresh

The infrastructure within Newport and it's associated buildings consists of approximately 130 switches and 154 wireless access points. This hardware is replaced through a 7-year programme to ensure that wireless and wired connectivity used by Newport colleagues is fit for purpose and is taking advantage of technology advancements.

The replacement programme in Newport aimed to replace 30% of switches and 25% of wireless access points in 21/22 and this programme will continue annually.

6.7   Options Paper for Newport Website.

The redevelopment of Newport's website was a key outcome in the 2023-2027 digital strategy.

- Improve the design and accessibility of council IT systems including its web site.

Discussions between Newport and the SRS started in December 2022 and to assist in the decision-making Newport wanted an options paper on the available technologies used across government websites in the UK. Newport had the decision of whether to work with their existing supplier to refresh the site, or work with another supplier to build a new website using a different website technology e.g. Umbraco, Wordpress or Drupal amongst many others.

In February 2023, a 3rd party organisation was tasked to produce the paper and two technologies were highlighted, both with substantial government user bases in the UK and outlined as potential replacements. Newport and the SRS provided a brief to comparing the two technologies and the options paper was delivered by in April 2023 for decision.

Newport and the SRS agreed on Drupal as the preferred technology due to its scalability, flexibility and "open source" approach and the procurement of a supply partner was completed in July 2023. In addition to this we selected a version of Drupal called LocalGov Drupal which is a community of over forty Local Government organisations across the UK who have come together to share their work. This will allow us to call upon and contribute to a pool of technology to use for the Newport web site which reduces development time and cost leading to a much better user experience for Newport citizens which is built to all current accessibility standards by default.

6.8   Education

There are three 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 2022-23 with 2,529 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.

Laptops	102
Desktops	48
Monitors	59
Chromebooks	554
iPads	201
Macs	31
Docking Stations	5
Charging Trolleys	7
Projectors	156
Screens	140
Speakers	144
Webcams	89
Headphones	344
Peripherals	649
TOTAL	2,529

2. SLA Signup

    We are currently in year two of the three-year Curriculum SLA agreement with schools. No schools have left the SLA. There is an active conversation with a Newport Secondary School and costs to join SLA have been supplied and discussed.

3. SchoolsEdu Firewall Replacement

    The Education infrastructure for schools required replacement firewalls to maintain a supported environment. Rather than purchase dedicated replacement firewalls for Education the SRS has purchased additional Firewall hardware to add to the existing

shared firewall cluster in Vantage, keeping costs to a minimum. The initial configuration has also been completed with consultancy support and we have started to create the individual "contexts" for each Local Authority and a nearing the stage where we can start to test this firewall setup with our first authority's schools. The budget for this work has been met through the income from the SLA for Infrastructure refresh.

6.9   Net Zero contribution of the SRS

We are striving to improve our data centre energy efficiency and reduce our carbon footprint. That's why we have moved our data centre services from four different and outdated facilities across our Local Government partners to one modern and green site at the new Vantage data centre. This site uses 100% certified renewable energy and has the latest technology to optimise energy consumption. Whilst we cannot exactly measure the difference in energy usage between the old and new locations, due to old energy measurement devices, we estimate the impact of our energy reduction efforts to be significant.

Newport are continuing work to assess the level to which it has had a positive impact from an energy usage perspective in Newport Civic specifically.

6.10   Social Value

We believe in giving back to our local area and creating opportunities for young people. That is why we launched a new apprenticeship scheme that welcomes talented and motivated individuals from our community. Our goal is to expand this scheme and offer more apprenticeships in the future.

We are also committed to reducing our environmental impact and supporting our local community. We implemented a new disposals policy that recycles our old devices instead of sending them to landfills. This way, we not only save money and lower our carbon footprint, but also provide valuable resources to people in need. Our recycled devices meet all the security requirements and are safely wiped of any sensitive data before being donated. We have now adjusted this contract to allow for recycling of additional devices which means we are shredding less hardware.