



Information Technology Sub (Finance) Committee

Date: FRIDAY, 30 SEPTEMBER 2016
Time: 11.30 am
Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members: Deputy Jamie Ingham Clark (Chairman)
Deputy Roger Chadwick (Deputy Chairman)
Randall Anderson
Nigel Challis
Deputy John Chapman
Jeremy Mayhew
Hugh Morris
Sylvia Moys
Graham Packham
Chris Punter
Deputy John Tomlinson
James Tumbridge

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Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 7 June 2016.
For Decision
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS**
Report of the Town Clerk.
For Information
(Pages 5 - 6)
5. **WORK PROGRAMME – TO FOLLOW**
Report of the Town Clerk.
For Decision
(To follow)
6. **UPDATE ON THE DEVELOPMENT OF A NEW IT STRATEGY**
Report of the Chamberlain.
For Information
(Pages 7 - 10)
7. **IT DIVISION - MEMBER UPDATE**
Report of the Chamberlain.
For Information
(Pages 11 - 14)
8. **UPDATE ON IT SERVICE PERFORMANCE**
Report of the Chamberlain.
For Information
(Pages 15 - 24)
9. **IT FINANCE UPDATE**
Joint report of the Chamberlain and the Chief Information Officer.
For Decision
(Pages 25 - 30)

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
12. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

13. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 7 June 2016.

For Decision
(Pages 31 - 34)
14. **OUTSTANDING ACTIONS - NON-PUBLIC**
Report of the Town Clerk.

For Information
(Pages 35 - 36)
15. **TRANSFORMATION PROGRAMMES REPORT**
Report of the Chamberlain.

For Information
(Pages 37 - 54)
16. **MANAGED SERVICES CONTRACT**
Report of the Chamberlain.

For Information
(Pages 55 - 84)
17. **IT RISK REPORT**
Report of the Chamberlain.

For Information
(Pages 85 - 90)
18. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**
19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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INFORMATION TECHNOLOGY SUB (FINANCE) COMMITTEE

Tuesday, 7 June 2016

Minutes of the meeting of the Information Technology Sub (Finance) Committee held at the Guildhall EC2 at 11.30 am

Present

Members:

Jeremy Mayhew (Chairman)	Deputy Jamie Ingham Clark
Deputy Roger Chadwick (Deputy Chairman)	Sylvia Moys
Randall Anderson	Graham Packham
Nigel Challis	Deputy John Tomlinson
Deputy John Chapman	James Tumbridge

Officers:

Christopher Braithwaite	- Town Clerk's Department
Fern Aldous	- Town Clerk's Department
Peter Kane	- Chamberlain
Kevin Mulcahy	- Chamberlain's Department
Simon Woods	- Chamberlain's Department
Gary Brailsford-Hart	- City of London Police

1. APOLOGIES

Apologies for absence were received from Hugh Morris and Chris Punter.

Members, Officers and Agilisys Representatives introduced themselves.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes and non-public summary of the previous meeting are approved as an accurate record.

4. REVIEW OF OUTSTANDING ACTIONS

The Sub-Committee considered a report of the Town Clerk which provided details of Outstanding Actions from previous meetings.

The Town Clerk advised that, in future, the Outstanding Actions report would include target dates and responsible officers for all items. The Chairman informed the Sub-Committee that he had requested officers to ensure that a strategic work plan was provided to the Sub-Committee which provided Members with a better sense of the cycle of business for the Sub-Committee.

With regard to the Oracle Business Benefits project, the Chamberlain advised that reports on this project would be submitted to this Committee and the Efficiency and Performance Sub-Committee.

With regard to notifications to Members of outages, a Member suggested that it may be beneficial to provide this notification to personal email addresses and by text, as City of London addresses may be inaccessible.

RESOLVED – That the Sub-Committee notes the report.

5. IT DIVISION MEMBER UPDATE

The Sub-Committee considered a report of the Chamberlain which provided Members with an update regarding recent changes within the Information Technology Department.

The Chamberlain advised Members that it was not currently intended to replace the Chief Information Officer on a like-for-like basis. The Sub-Committee agreed that it would be beneficial to hold a Members' Only session at the end of the meeting to discuss the changes to the IT Department.

The Chamberlain advised the Sub-Committee that the primary short-term goal for the Department was to stabilise the IT systems. To support this work, a significant amount of work had been conducted to develop a detailed risk register for all IT systems.

The Chamberlain advised the Sub-Committee that a survey would be conducted with all Members to identify their IT needs. Members suggested that part of this survey should ask Members what they wished to use the IT systems for.

The Chamberlain also requested that Members provide suggestions for potential subjects for the IT Workshops. Members suggested the following topics: the Good system; the mobilisation and governance process for large systems projects; the IT Strategy; applications architecture; and the current status of the IT systems. The Chamberlain welcomed these suggestions and requested that Members provide any further suggestions by email.

RESOLVED – That the Sub-Committee notes the report.

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no urgent items.

8. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds

that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
9-20	3

9. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

The non-public minutes of the last meeting were approved as an accurate record, subject to an addition in relation to the use of Oracle by the Department of Markets and Consumer Protection.

10. **REVIEW OF OUTSTANDING ACTIONS - NON-PUBLIC MINUTES**

The Sub-Committee noted a report of the Town Clerk which provided information of outstanding actions from previous meetings.

11. **AGILISYS SERVICE UPDATE**

The Sub-Committee received a presentation from the Chamberlain and Agilisys which advised Members of recent performance of the Agilisys Managed Service.

The Chairman advised Officers and Members that he would always insist on presentations being provided to Members well in advance of the meeting to allow Members to consider the issues set out within the presentation. Members agreed that the presentations would need to include sufficient text to ensure that they were comprehensible in advance of the presentation being discussed at the meeting.

12. **MANAGING PROJECT PRIORITIES ACROSS THE CITY OF LONDON CORPORATION AND THE CITY OF LONDON POLICE**

The Sub-Committee considered a presentation of the Chamberlain which provided information regarding the model which would be used to Prioritise IT Projects.

13. **PRIORITY PROGRAMME UPDATE**

The Sub-Committee noted a report of the Chamberlain which provided an update on progress on the IT Priority Projects.

14. **IT INFRASTRUCTURE SERVICES - PERFORMANCE IMPROVEMENT PLAN - GATEWAY 2 PROJECT PROPOSAL**

The Sub-Committee noted a report of the Chamberlain which provided details of a project to improve IT Infrastructure Services.

15. **WIDE AREA NETWORK (WAN) REPLACEMENT - GATEWAY 2 - PROJECT PROPOSAL**

The Sub-Committee noted a report of the Chamberlain which provided information regarding a project to replace the Wide Area Network for the City of London Corporation and City of London Police.

16. **WIRELESS CONCESSION PROGRESS REPORT**

The Sub-Committee noted a report of the Chamberlain which provided an update on the progress to date on the wireless concession work-stream.

17. **INFORMATION SECURITY & MANAGEMENT - UPDATE**

The Sub-Committee noted a report of the Chamberlain which provided information regarding the Corporation and the City of London Police's Information Security and Management programme.

18. **IT DIVISION APPROACH TO THE AGILISYS CONTRACT RENEWAL**

The Sub-Committee noted a report of the Chamberlain which provided information regarding the approach which would be taken by the IT Division to support the Sub-Committee in reaching a decision regarding the extension of the IT Managed Service Contract with Agilisys.

19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no non-public questions.

20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other non-public business.

Following this item, a Members only session was conducted to allow Members to discuss with the Chamberlain the recent changes to the IT Division.

The meeting closed at 1.15 pm

Chairman

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Information Technology Sub-Committee - Outstanding Actions

Item	Date	Item and Action	Officer responsible	To be completed/ progressed to next stage	Progress update
1.	10 March 2016, Item 5	<u>Notification of IT Service Outages</u> Members to be included in the notification process used to advise Senior Officers of IT service outages.	Simon Woods, Chamberlain's Department.	September	During the GOOD outage the VIP support team utilised SMS text messaging to advise Members of the failure. IT Division would welcome feedback from Members regarding this.
2.	15 December 2015, Item	<u>IT Division Quarterly Report</u> The Outstanding Actions report to include details of agenda items for future meetings.	Fern Aldous, Town Clerks	Ongoing	The Strategic Work Plan (See next action) will allow Members to see upcoming Agenda Items for future meetings
3.	7 June 2016, Item 4	<u>Review of Outstanding Actions</u> Strategic Work Plan to be provided to the Sub- Committee	Simon Woods/Fern Aldous	November	A report proposing the draft Strategic Work Plan is included in this agenda.
4.	7 June 2016, Item 5	<u>IT Division Member Update</u> IT Workshops for Members to be introduced	Simon Woods	Ongoing	Members have been asked to email the IT department for suggestions of topics they would find useful.

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Committee(s)	Dated:
IT Sub Committee – For Information	30 September 2016
Subject: IT Division – Update on the development of a new IT Strategy	Public
Report of: The Chamberlain	For Information
Report author: IT Director, IT Division	

Summary

The thinking around the next iteration of the IT strategy has started and a discussion document has been created to describe the core themes at a high level. The key elements of this are:

- Buy systems and services rather than build them in-house.
- Endeavour to use fewer systems more effectively to extract the most value from the investments made.
- As the external threat increases, ensure that systems and services are as secure and compliant as possible.
- Work to drive out complexity and look to commoditise the services we require wherever possible to get the best value and highest quality.

The next steps for this work include sharing the thinking more widely with all stakeholders and we will return with updates on progress at future IT Sub Committees.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The IT Division has been working on thinking for the future state of IT for the Corporation and City Police over the summer. This report describes the key themes that have come out of this work.

Core Themes

2. Building in-house IT systems is becoming increasingly expensive compared to buying services that meet the requirements we have. This move to software-as-a-service (SaaS) and consumption services is an industry trend and exploiting the approach will help the Corporation and City Police achieve a lower cost model for IT in the medium and longer term.
3. Many of the systems and services we purchase have far more functionality within them than we currently use. There is also evidence that we have purchased systems that have not been fully deployed. Focussing on exploiting the full functionality of the systems and services we have will lower complexity and enable us to extract the maximum value from the investments we have made.
4. The threat from cyber attacks on the Corporation and City Police is higher than similar organisations due to our profile. Acknowledging this issue, we need to focus on ensuring that an appropriate level of resource is invested both now and increasingly in the future on our defences. We will also be seeking to ensure that we meet the required standards for information handling that are required for us to process the range and sensitivity of information we hold.
5. The transformation programmes we have in place will enable us to commoditise core elements of the IT provision. By doing this we will be able to set a clearer expectation of the required quality and level of service we require with the suppliers that support us in the future. The skills within the IT Division will need to change to manage this new paradigm but the future model should deliver greater value and a more predictable service to all stakeholders.

Next Steps

6. The next step will be to share the core themes more widely with chief officers and users so that the impact is understood. As well as taking our thinking to specific governance forums, we will create additional opportunities for discussion that will enable the full strategy to underpin the wider business planning of the organisation.
7. The final version of the discussion paper and the full draft strategy will be presented to Members at future IT Sub Committees.

Conclusion

8. The IT Division is thinking about the core elements that will inform the full IT strategy we aim to put in place by the end of this financial year. The four key principles are; buy-not-build, user fewer systems more effectively, ensure security and compliance is a priority, and drive out complexity and move to commodity services.

9. The Division will continue this work and grow the strategy by engaging with the organisation and ensuring the core concepts are understood and underpin the wider organisational business plans.

Appendices

- None

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Agenda Item 7

Committee(s)	Dated:
IT Sub Committee – For Information	30 September 2016
Subject: IT Division – Member Update	Public
Report of: The Chamberlain	For Information
Report author: Simon Woods, IT Director, IT Division	

Summary

The IT Division has experienced a period of relative stability during what has been a busy summer period. Core updates:

- There have been continued efforts to re-focus the team around a risk-based approach to the delivery of the IT service.
- Significantly impacting IT service outages have been at a lower level but a small number of note have caused disruption to the organisations we support. The most notable of these was an email related issue with City Police that disrupted it's communications with service users.
- Work to develop a proposal for Members on the potential contract extension with Agilisys has continued.
- Our first workshop with Members took place over the summer and focussed on the options for contract extension. We are grateful for the input from the Chairman, Deputy Chairman and Deputy Morris that was very positive and will help shape our thinking.
- During the summer we have been in discussion with senior staff and HR about the interface between IT and the organisation. Developing a model that improves the trust and ownership of IT across the Corporation will support some of the large scale changes we will need to make over the next 18 months.
- The core transformation projects have progressed since the last committee and the reset of the previously named joint network refresh programme (JNRP) is enabling the Division to ensure that the delivered service provides the end-to-end solution the organisation needs for the future.
- The thinking around the next iteration of the IT strategy has started and a discussion document has been created to describe the core themes at a high level. The key elements of this will be shared with the IT Sub Committee and all feedback welcomed.
- Work over the summer has also confirmed that we have underinvested in our IT service and that we will need to re-baseline the budget to ensure we can manage the level of risk and required change whilst moving the organisation to the new operating model. This is covered fully in a separate report to the IT Sub Committee.

Staffing update:

- The Chamberlain has been considering the future lead role for the Division and is currently in dialogue with HR on the next steps.
- We have re-positioned staff within the IT Division to create clearer accountabilities around project and engagement work.
- Since the last IT Sub Committee our new IT Business Partner, Saba Dadabhoy has joined the Division.
- Additional interim roles are being defined to strengthen the team in key areas such as operational IT management, service delivery management and portfolio management. This will stabilise the team whilst the longer term operating model is being defined and established.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The IT Division continues to focus on a risk-based approach to the delivery of IT services. Stabilising the provision to provide a robust platform for organisational change and improvement is the priority. This is made up of two elements:
 - Continued oversight and scrutiny of the business-as-usual IT services to ensure there are fewer negatively impacting events.
 - A focus on the transformational projects to ensure the future IT service paradigm is a significant improvement on the current service.

Updates

2. The work to embed a risk management regime into the IT Division continues with a significant number of risks now identified. The effort has involved building a method of risk capture that we can migrate into the Corporate “Covalent” system over the coming months. We have worked with the risk lead for the organisation as we have established the new approach. A full report on the current risk position has been created for this meeting and the IT Sub Committee will now receive a regular report on our management of risk to enable them to track progress.
3. The number of priority 1 and 2 issues has remained at similar levels to what we have seen over the past 12 months. However, the focus by the team on ensuring the minimal impact to business processes has meant that the disruptive nature of most events has been kept to a minimum. Communication efforts when faults

have occurred have also been far more proactive.

4. One significant issue that occurred since the last meeting was the loss of an area of the email system in the Police that is used to engage with external contacts. The impact was contained as a result of significant efforts by the Division and the Police Information Directorate. Reassurances have since been sought and given by Agilisys on adherence to standard change control processes.
5. Work on our approach to the potential extension of the managed service contract with Agilisys has been a key focus over the summer. A separate report detailing this activity in more detail has been provided to the IT Sub Committee.
6. Building on our first Member workshop that considered our approach to the possible extension of the managed service partnership, we will be seeking to create further opportunities for Member workshops over the coming months. We have discussed this with the Chairman who is happy to take ideas for future workshops and prioritise the key areas to cover on Members behalf.
7. The IT Division has been discussing the culture and behaviours of the organisation in relation to the impact it has on the delivery of IT services. Discussions have taken place with the Chamberlain, Town Clerk and Director of HR. The initiative came from thinking about what will be required to bring the organisation up to date and how we can ensure that the change required will be supported across the organisation. The core themes of developing trust and receiving consistent support have been accepted and further work will be done to ensure we create the best environment we can, to support positive change. There will be a meeting with HR in October to maintain momentum on this.
8. Following a deep-dive into the core requirements of the joint network refresh programme (JNRP) we have recommended a full reset of the approach being taken as the delivered service would not have provided the end-to-end solution the organisation needs. Work is now focussed on a fuller requirement that aims to deliver a full network refresh, and that will align to all known initiatives that are a dependency upon the new network. We are proposing a new title of “Network Transformation Programme” for the work. When we have a complete view of the requirements we will review the governance in place.
9. The IT Division has been testing some of the core themes for the future direction of IT services over the summer and a draft discussion paper that describes the journey to the IT Division of 2020 is being developed. We will continue to build on this thinking and bring back a version that has had appropriate scrutiny to the next IT Sub Committee for Members to consider. We plan to complete a full revised strategy based on this initial thinking by the end of the financial year.

Staffing updates

10. The Chamberlain has been considering the future lead role for the IT Division and will be working with HR on finalising the approach to be taken.

11. To support an end-to-end approach to the development of new IT services we have recently moved our business analysis section into our PMO (project management office) team. This will enable the larger team to take initiatives at an early stage and track them fully through the full lifecycle of requirements gathering, build, and implementation.
12. Our Enterprise Solutions Architect has decided to leave the Division to take-up a new opportunity. This change has given the IT Division management team the opportunity to review the role and consider how we cover this work in the future. This links to the new relationship between the Police Information Directorate and the Division (as mentioned in 10. above) and to the current work around the potential contract extension and future operating model.
13. Saba Dadabhoj has joined the Division as a new Business Partner since the last meeting and her initial focus will be Markets and Consumer Protection, and Open Spaces. Saba's previous role was at Voluntary Service Overseas (VSO) where she was a Business Analyst in the IT team.
14. To strengthen the team during a significant period of change and in advance of setting the future target operating model, the IT Division will be recruiting some interim resource to help maintain the stability and focus of the business-as-usual service. The initial 3 roles we are focussed on are a project management office (PMO) manager, service delivery manager, and Head of IT Delivery. The Head of IT Delivery position will enable our IT Service Management Consultant to focus on the future target operating model for IT services rather than the support issues he has been drawn into.

Appendices

- None

Simon Woods

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Committee	Dated:
IT Sub Committee – For Information	30 September 2016
Subject: IT Division Service Performance	Public
Report of: Chamberlain	For Information
Report author: Fay Sutton, Change and Engagement Lead Eugene O’Driscoll, Agilisys Service Director	

Summary

This report provides Members with an update on the performance of the IT Service for the City of London Corporation and City of London Police.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The IT Division provides an IT Service for the City Corporation and City of London Police. Part of this service is operated by a Managed Service Provider, Agilisys Ltd. This report provides an update on performance in relation to Service Desk performance and satisfaction, incidents and customer perception. The performance data relates to the whole service whether provided by In-House staff or Agilisys.

Service Desk Satisfaction

2. Table 1 below, provides user satisfaction results for both the COLP and COL IT Service Desks. The table shows the aggregated scores, and in parenthesis, the number of responses.

Table 1. User Satisfaction scores

User Satisfaction	Satisfaction Target *	June	July	August
COL	5.7	5.72 (249)	6.03 (200)	6.09 (202)
COLP	5.7	6.19 (100)	6.19 (68)	6.62 (70)

**Questionnaire target is based on a scale of 1 to 7, with 7 being the most satisfied.*

- Every time a Service Desk call is resolved, the user is sent a survey to assess their satisfaction with the service and resolution provided. It is pleasing to report that satisfaction levels continue to be high for both Service Desks. However, the number of responses has reduced over the last three months. This is going to be addressed with communication on both Intranets to remind users about the importance of their feedback in identifying areas for improvement.
- Table 2 below, shows that the number of calls fixed at first point of call has increased in both June and July, but dipped slightly in August. The Service Desk are continuing to work with the second line support teams to document more processes and train Service Desk agents to enable them to resolve more queries. It is hoped that this will result in a further improvement in September. The definition for this target has changed and therefore no target data is shown in the table. Now that there is a period of performance data available, a target will need to be agreed.

Table 2. First Time Fix rates

First Time Fix*	May (%)	June (%)	July (%)	August (%)
COL	59.0	63.0	76.0	67.4
COLP	75.1	81.8	84.2	83.1

**The percentage of calls which were resolved by Service Desk agents at first call.*

- In the past, customers have complained about the time they have had to wait for calls to be answered by a Service Desk agent and many were forced to abandon their call. Table 3 below, shows that for both the COL and COLP the percentage of calls abandoned after 60 seconds has reduced over the last few months and both are now well within the target of 5%.

Table 3. Call Abandonment data

Measure*	Target (%)	June	July	August
City of London	5	3.8 (134/3530)**	3.03 (105/2998)**	3.1 (87/2806)**
City of London Police	5	4.2 (91/2148)**	4.5 (115/2553)**	3.5 (73.1890)**

**Percentage of calls that are abandoned by the customer after 60 seconds*

***Number of calls (No. calls abandoned/total No. of calls to Service Desk)*

Service Desk Performance

- The more detailed service data is included in the appendices at the end of this report. Appendix 1 shows the performance of the IT Division to resolve incidents within SLA targets. Appendix 2 shows the number of Priority 1 and Priority 2 incidents from May 2015 through to August 2016.

7. The number of Priority 1 and Priority 2 incidents remains high, particularly in COLP. The most significant outage being the deletion of public folders in the Police. This took over 170 hours to resolve and had a significant business impact. Details of the outage and its cause are addressed in the General IT Update Report presented within this meeting by the Head of IT.
8. There were 16 major incidents (Priority 1) and 28 Priority 2 incidents during July and August. Reviewing the cause of these incidents, a number of themes have emerged.
9. There are an increasing number of incidents relating to ageing equipment and infrastructure. The lack of investment which is a major contributor to these outages is now being addressed by the Network and Desktop Transformation programmes. Due to the age of this equipment it is becoming more difficult to source spare parts or retain staff with the required skills. As a result, the time taken to resolve incidents is extended and often causes them to fall outside of SLA targets.
10. A significant number of calls are as a result of 3rd Party faults, for example, power failures and fibre-optic cable breaks. Whilst these are out of the control of the Division, the Contracts Team is working with the 3rd Parties to ensure they meet their resolutions times, and where appropriate tighten up SLAs. This is particularly relevant in the Police who work 24/7. A review of all contracts is currently taking place to ensure the current support arrangements align with business need.
11. In recent months, there have been a number of incidents relating to inadequately planned changes. Significant work has been undertaken to improve the review of changes, and only changes which can demonstrate robust testing plans, rollback processes, and well managed communications with the business to minimise business impact are approved. This work now seems to be paying off as there has been a significant reduction in the number of incidents relating to changes during July and August.
12. An area which is being addressed is incidents relating to poor monitoring. There were 4 incidents in July which related to servers failing due to disks reaching capacity. The IT Division are looking at ways of strengthening the monitoring of the network, so issues are identified much earlier and appropriate remedial action taken.
13. Finally, there are a handful of business applications which are unstable and require regular reboots to resolve connection problems. Discussions are ongoing with suppliers to try and resolve these issues and the Business Partners are working with departments to find more robust and stable alternatives.
14. Whilst every effort is made to reduce the number of incidents, it is inevitable that there will be outages, planned or unplanned. Therefore considerable effort has been applied into reviewing and improving the communication before and during outages. Predominately, greater focus is being put on business impact and providing the business with as much notice as possible to plan for downtime and

implement business continuity arrangements. Both COL and COLP internal communications teams are helping with publicising downtime, and greater use of the texting facility is being made so users that are away from the office are informed of incidents sooner. Finally, maintenance windows are being agreed with both organisations to allow regular updates to the infrastructure with minimal disruption to the business.

Customer Perception

15. The IT Division have a focus group of users in the City Corporation and the City of London Police that they interview every quarter to gauge their perception of the IT Service. The focus group is made up of a representative from every department and the Directorates in the Police. The group does not include the institutional departments or London Councils. The group are asked to rate the performance of the IT Services and the results can be seen in Appendix 3. The graphs represent the most important services, as decided by the focus groups, with those of highest priority to the left.
16. The highest level of dissatisfaction is with the email and desktop services. Most users are still experiencing delays and freezing within Outlook, and desktops are still operating slower than is considered acceptable. These issues are being addressed by the corporate Desktop Refresh Project (EUDR).
17. Concerns are still being raised with IT Business Partners and by Senior Leaders that the results from this survey are still not a true reflection of the perception of the IT Service. Further work is going to be undertaken to identify a more regular and more inclusive survey to understand customer perception better.

Recommendation

18. Members are asked to note the report.

Appendices

- Appendix 1 - Service Desk Performance
- Appendix 2 – Incident Trends
- Appendix 3 – Customer Perception

Fay Sutton

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Eugene O'Driscoll, Agilisys Service Director

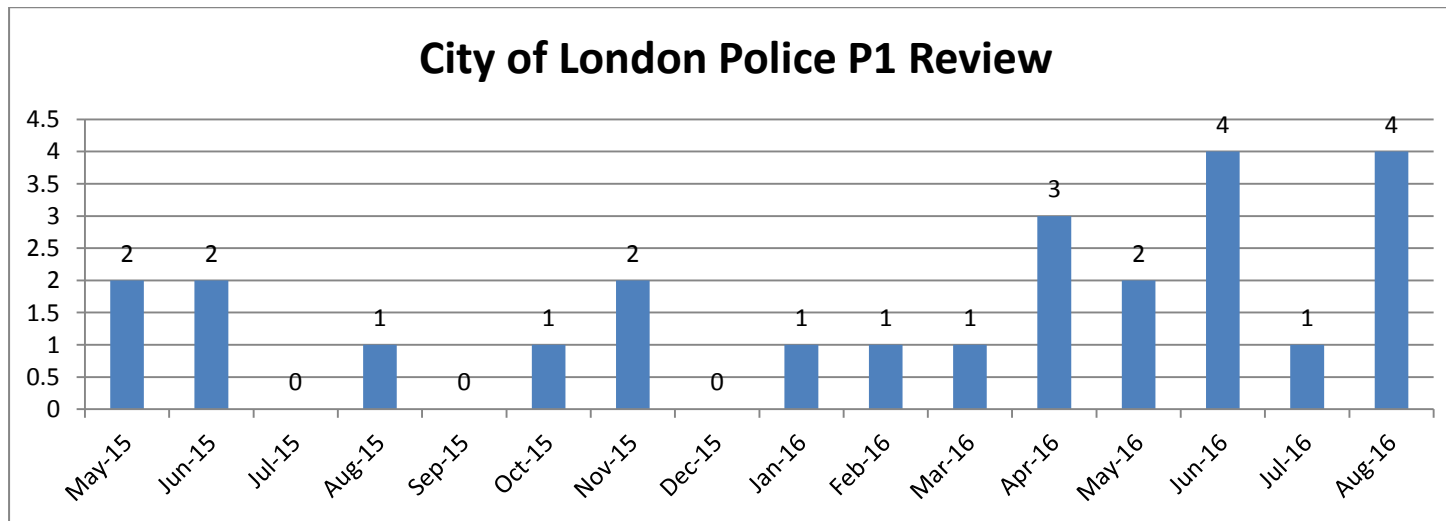
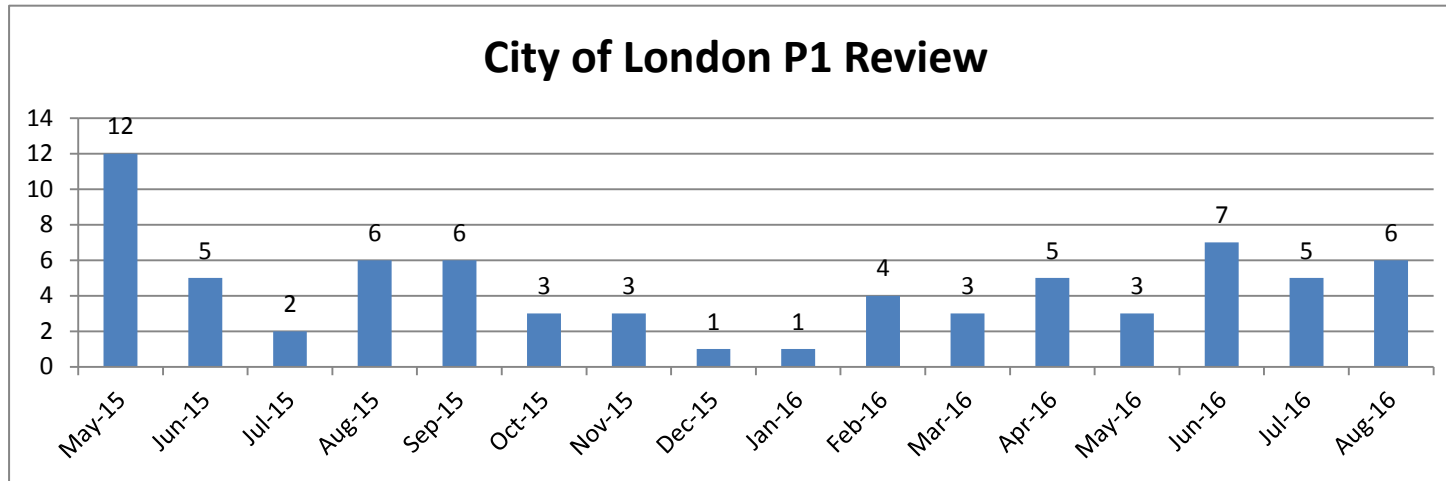
E: Eugene.O'Driscoll@cityoflondon.gov.uk

Appendix 1 - Service Desk Performance

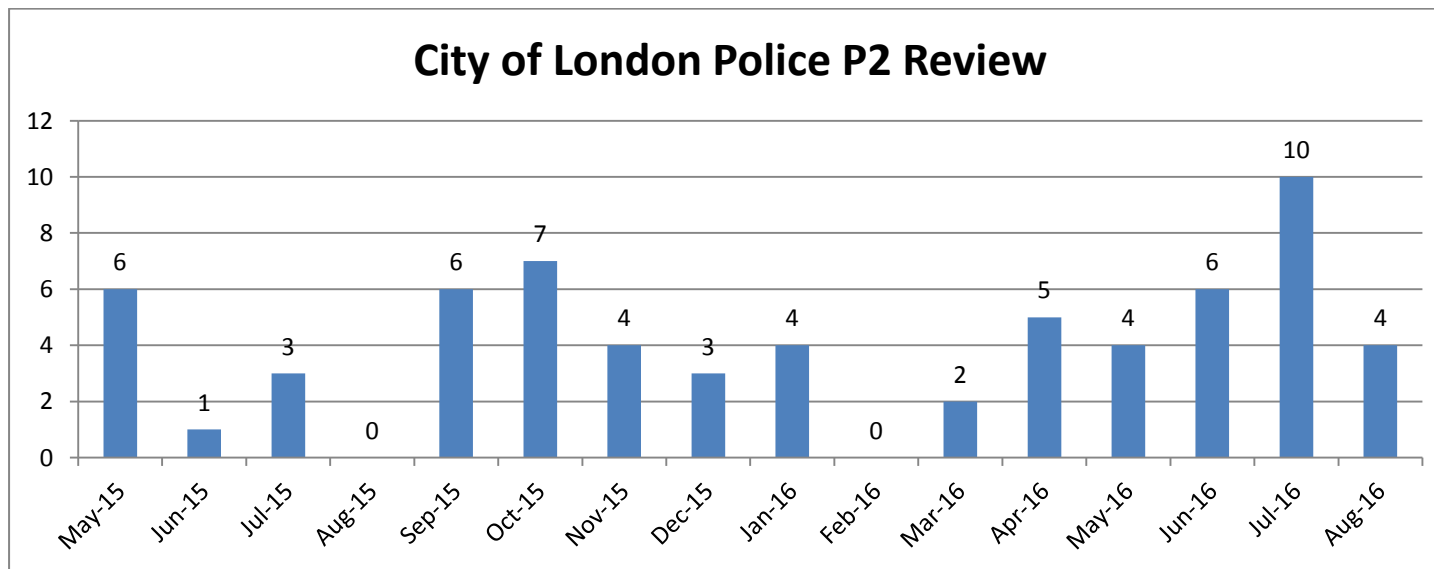
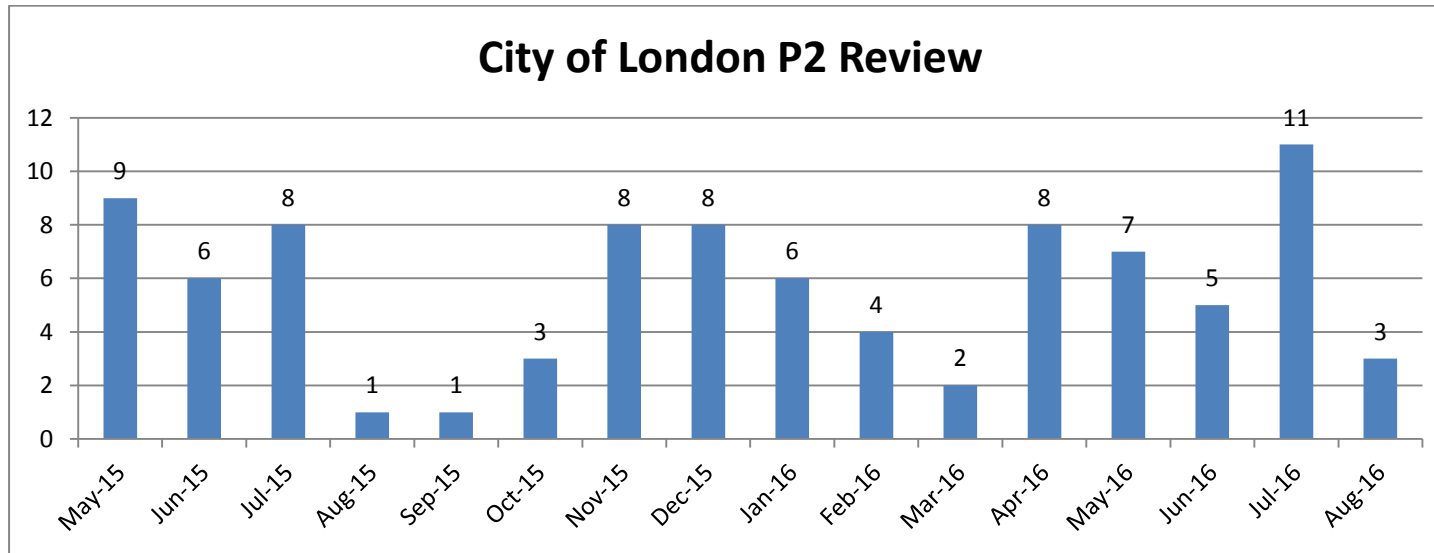
COL Measure	Target (%)	Total June	Performance June (%)	Total July	Performance July (%)	Total August	Performance August (%)
Incident P1 (2 hr fix)	98	7	85.7	5	60	6	100
Incident P2 (6 hr fix)	98	5	60	11	100	3	100
Incident P3 (8 hr fix)	98	25	96	24	83	20	95
Incident P4 (2 day fix)	98	1457	99	1504	100	1282	98
Incident P5 (6 day fix)	100	1	100	5	100	1	100

COLP Measure	Target (%)	Total June	Performance June (%)	Total July	Performance July (%)	Total August	Performance August (%)
Incident P1 (2 hr fix)	98	4	25	1	0	4	50
Incident P2 (6 hr fix)	98	6	66.7	10	70	4	100
Incident P3 (8 hr fix)	98	15	86.7	16	87.5	8	100
Incident P4 (2 day fix)	98	731	98.9	777	96.65	831	97.11
Incident P5 (6 day fix)	98	11	100	5	100	13	100

Appendix 2 – Priority Incident Trends



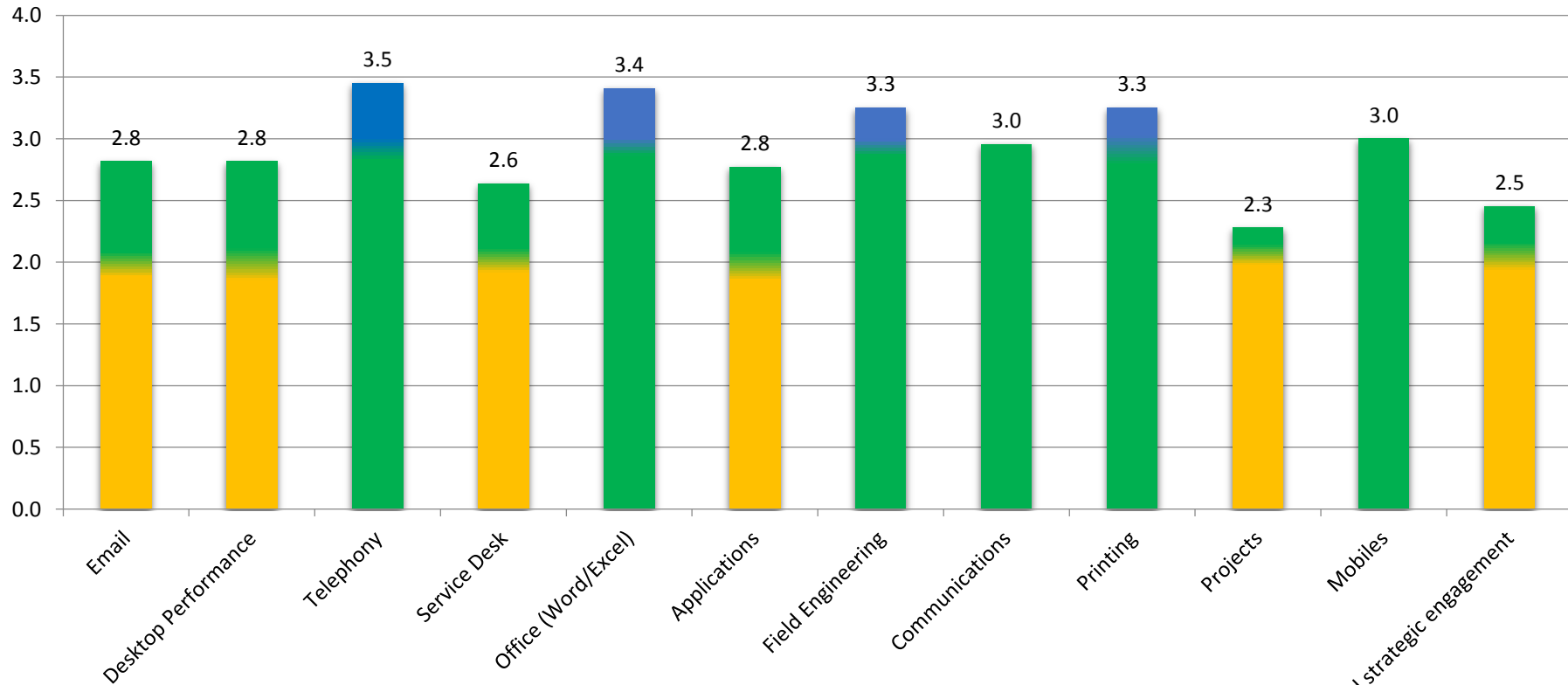
Appendix 2 – Priority Incident Trends cont.



Appendix 3 – Customer Perception

City of London

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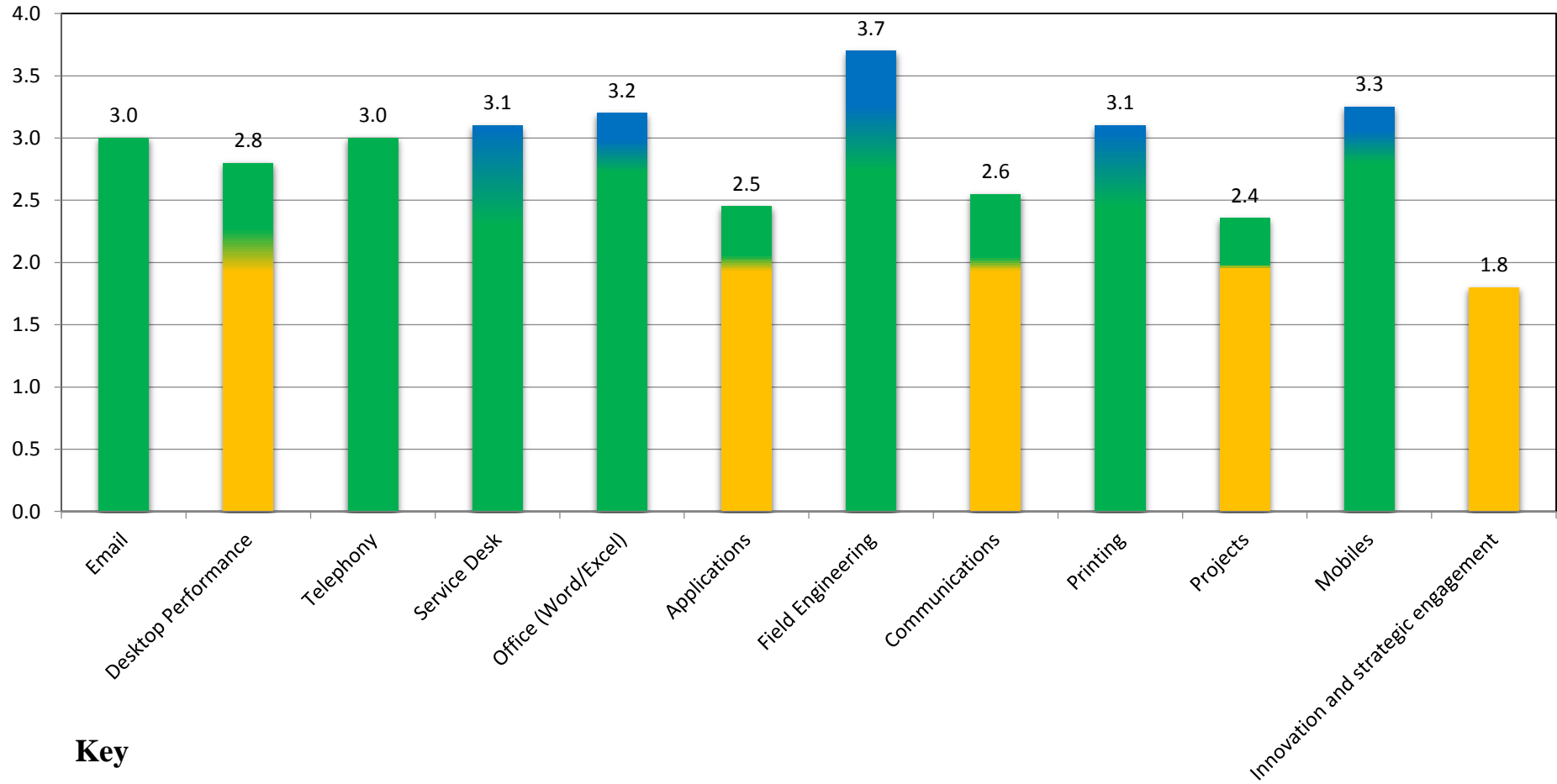
Key



Appendix 3 – Customer Perception cont.

City of London Police

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Key

Good
Satisfactory
Unsatisfactory
Very Unsatisfactory

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Agenda Item 9

Committee(s)	Dated:
IT Sub Committee	30 September 2016
Subject: IT Finance Update	Public
Report of: The Chamberlain	For Information
Report author: Simon Woods IT Director, IT Division	

Summary

The legacy of a highly complex operating model, not having the right roles and skills in the IT Division, insufficient due-diligence at the start of the managed service, and the adoption of the Police into the contract have all significantly impacted the running costs that are now considerably higher than anticipated.

The situation has been further exacerbated by the failure to routinely consider the revenue implications of the decisions that impact the IT Division. Examples of this include Oracle and the provision of network circuits that connect our locations.

To prevent driving a priority focus on cost reduction that would further increase the level of risk being carried by the Division, a budget reset is proposed that enables the team to re-focus on driving value, managing down the level of risk, and focus on the transformation activities that will lead to a lower cost paradigm in the medium term.

Recommendation(s)

Members are asked to:

- Support the principle of re-baselining the IT Division Budget, ahead of firming up on a proposal to be presented to Summit Group, Finance Committee and RA Sub-Committee.

Main Report

Background

1. The IT Division is projecting a significant overspend against the budget that was set for 2016/17.
2. Many factors have led to this position with key elements being savings not being realised, additional costs from network connections and licencing, increased storage costs, compliance activities, and additional costs for resources.
3. Although the contract with Agilisys has been independently verified as one of the best of its type in a recent review, the IT Division did not restructure itself in terms of roles and skills to ensure that the full value of the contract could be extracted.
4. The complex operating model between the Corporation and Agilisys has put upward pressure on budgets that have been further exacerbated by City Police joining the agreement. No additional resource was added to the Corporation to allow for the increased complexity and level of risk.
5. It is also clear that the due diligence during the build up to the start of the contract did not pick-up on the full impact of the low level of investment that had occurred for a number of years. This has meant that spending with Agilisys has needed to be at a higher level than anticipated to remediate the legacy infrastructure.
6. Although the future paradigm for IT Services linked to an approach of buy-not-build will provide an opportunity for significant reductions in spending in the medium and longer term, the legacy state of IT systems and services is not sustainable within the current budget.

Current Position - Corporation

7. A significant factor driving the current projected overspend against the budget are the costs associated with the managed services contract we have with Agilisys. The total spend with Agilisys is currently expected to be around £958K more than budget. A large part of this figure is made up of storage charges and server capacity due to greater than expected consumption of the infrastructure platform provided. Work has been progressing to reduce the costs of over-capacity in the provision for both the Corporation and the Police. This work will potentially reduce costs but this is a relatively small part of the overall spend. Other factors include spending to remediate failing legacy infrastructure, the revenue costs associated with Oracle (where no revenue budget was allocated to IT Division to cover these costs) and additional works and services from Agilisys such as our SharePoint service and the placement of additional roles where the City has been unable to recruit.
8. Another significant element of the projected overspend is the costs of connectivity between our sites due to a lack of planning for the on-going revenue costs of the new circuits that have been provisioned. We estimate an overspend in the order

of £150K against this issue.

9. Licencing costs have also increased rapidly against original estimates and this has led to a projected overspend of £66K.
10. Compliance activities such as the need to uplift our server estate to a later version of the operating system it uses have created an additional spend (not budgeted) of around £50K.
11. The total from items above comes to approximately £1.2M but this does not account for any changes to staffing where we currently have a number of key vacancies, no money for ad-hoc emergency expenditure to remediate legacy infrastructure, and we have no ability to test or pilot changes and concepts that could improve the IT experience for users.

City Police

12. The financial model for controlling IT spend in City Police has not enabled the IT Division to have the level of control and scrutiny required to manage it effectively.
13. One issue with the City Police budget is that it has a profile of spend that front-loads a significant amount of money for items such as our use of national services, at the start of the financial year. This is making projections for the final year-end outturn difficult but efforts to understand the position by the Division puts the current estimate for the projected overspend at approximately £800K.
14. The £800K figure includes a commitment made in the previous financial year that IT costs in the Police could be lowered by £0.5M. This was part of the overall savings City Police were asked to make by the Corporation.
15. Nearly all of the rest of the projected overspend comes from the increased use of data centre servers and storage linked to the migration to the Agilisys IaaS platform.

Additional budget

16. To enable the Division to lower the current levels of risk and to improve the experience for users whilst we progress with the Transformational Programmes, the IT Division will require additional funding and a focus on driving out value from all of the contracts and partnerships in place.
17. The additional roles required to enable the sharper focus on contract management and the provision of a higher quality service provision to users and Members will add £680K to this figure. This is broken down as follows:
 - £300K for the short term recruitment of a number of roles that we will ultimately seek to replace with lower cost permanent staff. (Est. £400K for the whole year 2017/18 and 2018/19)

- £300K for the reactive spend budget to allow the IT Division to act with pace when issues relating to legacy infrastructure occur, or when we require short term emergency resource. (Est. £500K for the whole year 2017/18 and 2018/19)
- £50K for the revenue costs associated with compliance and security works. This links to current proposals to improve our security profile at the Corporation. (Est. £120K for subsequent years)
- £30K for Members projects that will allow for the rapid changes and additional equipment required at the end of the financial year due to the election. (Est. £30K for the whole year 2017/18 and 2018/19)

18. This does not take account of any additional works that require a revenue uplift. Any new systems or services that are implemented will need to consider the full revenue implications to the IT Division and then an appropriate allocation made. This is likely to be a particular problem with City Police where we are aware of changes that could require a significant uplift in the revenue allocation.

19. The IT Division will be completing a zero based budgeting process for the next full financial year so that we can set the budget from a full analysis of funding need rather than from assuming a similar spending profile to previous years.

Conclusion

20. The legacy of not having the right roles and skills in the IT Division to drive-out best value from the managed services contract combined with limited due-diligence at the start, a highly complex operating model, and the adoption of the Police into the contract have all significantly impacted the running costs that are considerably higher than expected.

21. The situation has been further exacerbated by the failure to routinely consider the revenue implications of the decisions that impact the IT Division. Examples of this include Oracle and the provision of circuits that connect our locations.

22. To prevent driving a priority focus on cost reduction that would further increase the level of risk being carried by the Division, a budget reset is proposed that enables the team to re-focus on driving value, managing down the level of risk, and focus on the transformation activities that will lead to a lower cost paradigm in the medium term.

Appendices

- None

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