

RESOURCES AND PERFORMANCE SELECT COMMITTEE

18 MARCH 2021

**IT & DIGITAL SERVICE**

Purpose of report: To provide the Committee with an overview of the IT & Digital Service, in respect of its financial context, areas of delivery and service risks and challenge

Introduction:

1. This report has been written to support consideration of the IT & Digital service by the Select Committee.

Background:

2. The IT & Digital service is located within the Resources Directorate and is one of the Orbis partnership functions. IT & Digital has been designed to support and enable the operational and strategic priorities of Surrey County Council and the other Orbis partners.
3. The aim of delivering through a partnership function was threefold: to drive out cost by delayering and removing role duplication; to provide an enabling service that was responsive to the operational and strategic priorities of each council; to combine the pooled professional and technical expertise to enhance the overall service offer.
4. The IT& Digital service was established in 2015/16, following the appointment of the Orbis Chief Information Officer. Since this time, there has been a strategic and systematic programme of IT service development and enhancement of technology and digital capabilities across Surrey County Council. These improvements have been achieved whilst delivering a systematic and ongoing process of cost reduction and efficiency savings.
5. The Orbis partnership was originally established by Surrey and East Sussex County Councils to deliver efficiency savings from economies of scope, service redesign, and streamlining of processes. There are two years remaining of the current three-year commitment to the partnership and the arrangements for the IT & Digital service are perceived to be working well. These arrangements have delivered both financial and non-financial benefits, with continued delivery of

efficiencies, continuous service optimisation and bringing value into Surrey County Council by applying learning from working across multiple large local authorities.

6. The IT & Digital service is responsible for the delivery and support of the full spectrum of technology, data, and digital services across the three councils within the Orbis partnership. The span of responsibilities includes support for 20,000 internal service users, delivery of schools' IT support and data centre traded services, support for circa 1,600 line of business systems, connectivity to 510 sites, and the management of 2 x Tier 3 data centre facilities (ISO27001 accredited).
7. Alongside the mission critical operational support activities, the IT & Digital Service been a major contributor to the Council's Transformation Programme playing a leading role in the Agile and Digital transformation programmes.

Financial Context:

Revenue

8. There are two revenue budgets associated with the cost of delivering IT & Digital (IT&D) services: those service elements that are integrated with East Sussex County Council and Brighton & Hove City Council as part of the Orbis partnership (part of the Orbis Joint Operating Budget (JOB)) which is £20m (2020/21) of which £10.8m is the Surrey share; and the Surrey County Council sovereign IT&D budget, which is £10.3m (2020/21) for those elements, such as support and maintenance contracts, that pertain only to Surrey County Council.
9. The IT & Digital service has achieved significant levels of savings and in doing so has contributed to the financial sustainability of the wider Council. These efficiencies have been delivered whilst also ensuring that it provides enabling and responsive services that underpin the delivery of the Council's operational and strategic priorities.

The table below provides details of the savings plan for the current three-year period (2019/20 – 21/22).

Budget	2019/20 (actual) £m	2020/21 (projected) £m	2021/22 (target) £m
JOB (SCC share)	0.5	0.266	0.263
SCC Sovereign	1.7	0.7	0.8

The table below shows the total and percentage savings between 2015/16 - 2021/22.

Budget	Total Net Savings (£m)	Percentage Reduction
JOB	£4.2m	20%
SCC Sovereign	£2.8m	21%

10. The IT&D JOB savings have been achieved with a reduction of circa 50 FTE (full-time equivalent) positions, the vast majority at PS13 and above, across the partnership footprint; this involved redundancies in the first few years and subsequently holding vacancies and designing vacant posts out of the structure. The SCC sovereign budget savings have been achieved by moving to different technology platforms for example from Lotus Notes and Novell to Microsoft, and removal of solutions such as Mobile Iron with new capabilities that have been made available by existing solutions. Additionally, there has been a significant move from revenue to capital funded transformation and funding from the Transformation Support Unit (TSU) which has enabled the reduction of circa £2m.

Capital

11. The IT&D service also manage the delivery of a recurring capital programme of circa £6m in 20/21 and ongoing throughout the MTFS period. The capital investment ensures the appropriate IT infrastructure is in place across the Council and has recently included the roll out of new laptops as part of the Windows 10 refresh project. In addition, the capital budget for the Agile programme is funding the provision of hybrid devices to front line workers supporting the transformation of the way that they work.

Project delivery and enabling transformation:
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12. Alongside the support role provided by IT & Digital, a significant focus for the service is providing expertise and delivery capability into the Council's transformation programme and delivering a vast portfolio of ongoing business as usual service projects.
13. Through the Agile Programme, the IT & Digital service has been implementing a step-change in technology capabilities to support the Council's vision for a highly agile workforce with the ability to be work from any location and deliver services through multi-disciplinary teams. This programme deliverables include: the roll-out of new mobile working equipment such as iPhones and laptop

devices running Windows 10; enhancements to the IT infrastructure such as increasing network capacity and resilience, extended use of Wi-Fi including the implementation of Gov Wi-Fi; deployment of Microsoft Teams and other features within the Microsoft M365 platform to enable virtual collaboration and service delivery. Please refer to Annex 1 for further details of programme and capabilities delivered by the IT & Service.

14. The Digital Programme is another key pillar of the corporate change programme. The resulting work has put in place the technology foundations to support the business-led transformation that is changing internal and resident facing service delivery. The tech and digital capabilities deployed include: a data integration platform that enables the linking of data from different sources, this has proved to be an essential capability in the Council's COVID response; a data management platform that supports the single view of resident and asset information; advanced data analytics and automation solutions that provide self-serve datasets and dashboards used to support the creation of strategic and operational insights; process automation technology, enabling automation of repetitive tasks to free up staff time; chatbot, smart form, and webchat technology that has enabled an improved access to services for residents when they contact the Council online. Please refer to Annex 2 for further details of the digital programme and developments within the IT & Service, and to Annex 3 to see further details of the examples of where the IT & Digital service has been creating and applying data analytical tools and capabilities.
15. In addition to the project work undertaken through the Agile and Digital programmes there are 30 IT projects are currently in delivery (none of which come with additional funding for resources) and with 18 projects completing during 2020/1. These projects represent a proportion of the overall demand, with 91 requests for new projects being made during 20/21. These requests are investigated to understand relative business priority, complexity, and resource requirements. Responding to this level of project demand is another operational challenge that is proactively managed through engagement with stakeholders. Please refer to Annex 4 for further details of the IT project portfolio.
16. Of the 475 FTE staff base within IT & Digital, circa 200 FTE are Surrey employees. Within the Project Delivery team there are currently seven project managers working on the projects that appear in Appendix 4. A project manager will often lead multiple projects to ensure that their expertise is fully utilised. There are additionally four Business Analysts who are involved in the delivery of the projects. There are no other dedicated project resources, with the technical needs of the projects met from technical staff within the SCC staff base.
17. Alongside the permanent staff base, temporary or agency staff are employed to assist with the design and delivery of projects where there is a need to draw

upon specialist skills, for a defined task and time-frame, to assist with the implementation of new technologies and development of new delivery techniques, or to provide additional capacity at demand peaks that may exceed the steady state resource capacity. A good example is the Digital and Agile Programmes, which are using contactors to supplement, enhance or support, short term, our existing teams.

Enabling better support and service satisfaction:

18. A key responsibility of the IT & Digital Service is to provide a responsive and enabling support to the Council in its use of IT and digital. To ensure this aspect of the service can perform effectively and efficiently there has been a programme of continuous service improvement. With a focus on reviewing and optimising the processes and systems used to deliver this support, with a particular focus on the service hub, which manages incidents and service requests. The aim has been to provide a much greater level of self-service capability for staff, a smoother and responsive experience and improved data insights into end-user satisfaction and potential pain points.
19. To support this process of improvement there has been investments in three IT system capabilities:
 - Cherwell: The core IT call logging and management platform and the end-user portal referred to as MyServiceHub. The implementation of this system also included the review and improvement of processes that reduced 127 processes and forms, across the three councils, into a consistent, set of 26 and achieved an operating cost reduction of £185k per annum
 - Comaround (referred to as KnowHow!): This is an online knowledge library enabling service users to browse for user guides, videos and helpful articles and links. It contains 75,000 pre-written articles from Microsoft as well as guides and videos written by IT experts
 - Happy Signals: the customer experience engine that provides real-time analytical insights into the 'happiness' of the userbase and assists in targeting continuous service improvement.

IT infrastructure innovation:

20. IT & Digital has been actively working on the roll out of its Core Infrastructure Architecture (CIA) strategy. This strategy sets out a step-change in the provision of IT infrastructure services and makes use of the very latest technologies and industry best practice. The aim is to drive up the availability of

systems within the data centres, bring data centre server hardware up-to-date and enhance the overall disaster recovery capability for the Council.

21. There is a regular schedule of Disaster Recovery (DR) for infrastructure component testing at the two data centres, this includes regular mains power out testing and generator tests. In terms of business systems, the recovery sequence is prioritised through the corporate risk and resilience governance. Each system (e.g. SAP, Liquid Logic, Norwell, Vision etc) has their own unique recovery scenario with testing processes agreed with services and delivered throughout the year. In the case of SAP, for example, there are two DR tests a year, where the system is closed at the primary data centre and restored at secondary site. Other systems such as Liquid logic are tested in different ways to fit into the patterns of service delivery and in order to minimise disruption; typically, intra-site recovery would be tested as part of an upgrade.
22. It should be noted the traditional concept of full data centre or application shutdowns to test DR are now very dated and the core infrastructure strategy is providing a pathway towards high-availability using cloud and on-premises infrastructure arrangements.
23. A key feature of this high-availability strategy is the use of Hyperconverged Infrastructure (HCI) which is the current industry standard in the context of providing high performing computer services within data centre environments. This technology simplifies a previously complex set-up involving large disk storage, servers, and networking components. Hyperconvergence also provides the flexibility to use of the Council's data centre housed hardware in conjunction with cloud-based services (e.g. Microsoft Azure and O365).
24. In addition, the fabric of the data centres is maintained to ensure optimal performance and security. With the latest refresh of systems enabling the re-accreditation, for the fifth time, to the ISO 27001 information security standard.
25. The infrastructure capabilities put in place will provide a high availability, cyber secure infrastructure capable of underpinning a 24/7 digital delivery of council services and have already provided the foundation that has enabled the vast majority of the workforce to work remotely during the COVID-19 pandemic.

Service Performance:

26. The IT & Digital service performance reporting is captured as part of the Resources directorate performance dashboard under the 'Digital, Agile Working & Moving Closer to Residents, providing the technology to support agile and digital working' performance item. This is reported using three indicators: provision of devices; provision of and attendance at relevant training sessions; and access to and use of key software packages.

27. These metrics were developed in response to a requirement to make visible the progress of Windows 10 device deployments which became a critical enabler for staff to work from home during the COVID pandemic. Linked to this, the training metric was targeting the remote training provision to equip staff in the use of the new productivity and collaboration capabilities made available on Microsoft M365 including Teams and OneDrive. Finally, the use of key software packages is a metric that reports on the volumes of staff that are remotely accessing council systems. This metric was put in place to assist with monitoring and detecting any issues with connectivity or systems access when working from home for an extended period during the COVID pandemic.
28. Alongside these corporate performance metrics, over the last couple of years, the IT & Digital service has introduced Experience Level Agreements (XLAs) in preference to traditional SLAs (Service Level Agreements) which tended to measure volumetrics and did not provide qualitative or service satisfaction insights. Please refer XLAs.
29. As part of a drive for continuous improvement there is a desire to demonstrate that the IT & Digital service is changing as part of the Council's transformation as well as supporting it. This change can be seen in the way that potential risks are managed, with a shift from a risk adverse approach to a proportionate and enabling one; and with a reduced emphasis on technical controls and a greater focus on setting out personal responsibilities and using behavioural controls to manage risk.
30. The Pivot Programme, the IT & Digital service improvement programme, has been set-up to build on the emergent changes in behaviour and approach, with a specific workstream focusing on culture and behaviour. The ambition is to establish the behaviours and ways of working needed to support a highly agile and digitally enabled organisation.

Risks and Challenges:

31. As with other council services, there are operational and strategic risks that are owned and actively managed by the IT & Digital service. Annex 6 sets out the current service strategic risks. The two most significant risks, with high residual scores, are for the cyber threats facing the Council and the impact of COVID-19 on staff availability.
32. Cyber threat is a live issue for local government with the most recent attack at the London Borough of Hackney still causing problems to the council and its residents. Due to the corporate nature and severity of the cyber risk it is included within the Council's corporate risk register. The IT & Digital service remains vigilant to the threat and continues to invest in technology capabilities to detect and respond to a potential cyber compromise. In addition to the tools,

several staff have been trained and qualified to an expert level in information and Systems security. The service is also a member of the South East WARP (Warning, Advisory and Reporting Point), a consortium of public sector bodies where intelligence on cyber is shared and experiences are learned from.

33. The impact of COVID-19 upon the workforce is another live challenge that is being closely managed. Staff within the service are following national and council-specific guidance and where individuals or teams do need to be in an office, they are adhering to COVID secure measures. The service business continuity plan was also tested in October 2020 as part of steps to prepare for staff absences.
34. A broader challenge faced by the service, which will be common with all IT and digital functions, is that technology products and solutions are developed at a constant and rapid rate. The development of new technologies makes available opportunities to do new things and transform the way that councils work and how residents lead their lives. The flipside to be benefits of innovation is built-in obsolescence and a shift from an ownership model to a lease or “as-a-service” model for infrastructure (e.g. cloud storage) software products and services (e.g. Microsoft M365).
35. To take advantage of the opportunities and to manage time-limited product life cycles there is a requirement for the service to maintain a vigilant and active review of the broad technology marketplace, trends and learning from others. This vigilance has enabled the Council to identify and invest in a comprehensive set of enabling technologies, manage product and service maintenance and retirement without detriment to council service delivery, and to put in place diligent business and financial planning.
36. All the above involves significant effort to establish and maintain connections across a broad technical and professional network, to review analysis and predications of technology trends and risks, and regular engagement with critical and strategic suppliers and specialist advisory services and consultancies.

Responding to COVID-19:

37. There are no parallels or precedents for the level of demand that has been placed on the IT & Digital service during the COVID-19 lockdown period. The pressure and demand grew in line with organisational preparedness for the anticipated heightened levels of remote working and working as part of the local resilience partnerships.
38. The response from individuals and teams from across IT & Digital has been outstanding. The supporting processes have adapted well and are coping with

the ongoing need for a dynamic response to new and emerging needs both enabling remote worker groups and enabling the provision of services to the most vulnerable in our communities. The support response includes:

- Deploying circa 800 laptops, providing mobile phones and softphone solution enabling contact centre and other critical resident-facing services to continue to operate away from the office
- Adding additional resilience to the data network connections to the data centres to minimise the risk of overloaded connectivity and risk service disruption caused by limited access to council systems and data
- Enabling staff to use Citrix to access council systems and information from their home devices
- The rapid deployment of Microsoft Teams supported by a programme of virtual training
- The development of new data and digital solutions to support the COVID response by the Council and its partner agencies within the Surrey Resilience Forum. More details are provided in Annex 3.
- Rapid response to provide IT facilities and devices to support the mobilisation and operation of COVID test and vaccination sites

Conclusions:

39. The IT & Digital service successfully delivers support, manages a complex and mission-critical IT infrastructure, and drives digital innovation. This is all achieved against a backdrop of substantial ongoing financial efficiencies, high levels of project demands placed on the service and an ever-present cyber threat.
40. The service continues to review and enhance its own systems and processes to provide responsive and enabling services to the Council. The digital technology leadership provided by the service is equipping the Council with the IT and digital capabilities needed to achieve the Council's ambitions for workforce agility and digital service delivery.
41. The digital enablement of the Council's COVID response exemplifies how the new capabilities can provide real value and impact to the delivery of services to residents and businesses within Surrey.

Recommendations:

42. For Members to note the ongoing processes to optimise service support and the underpinning IT infrastructure, and the development of new service and council capabilities as part of the Agile and Digital Programmes.
43. For Members to comment on the service achievements and recommend where the committee can provide support and guidance.

Next steps:

44. For the leadership of the IT & Digital service to reflect upon the feedback of the committee and build this into the continuous service improvement programme as part of the Resources Directorate Improvement Programme.

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