

## Review of ICT Arrangements

# Merseyside Fire and Civil Defence Authority

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<b>Reference:</b>	ME002 Review of ICT Arrangements
<b>Date:</b>	July 2005

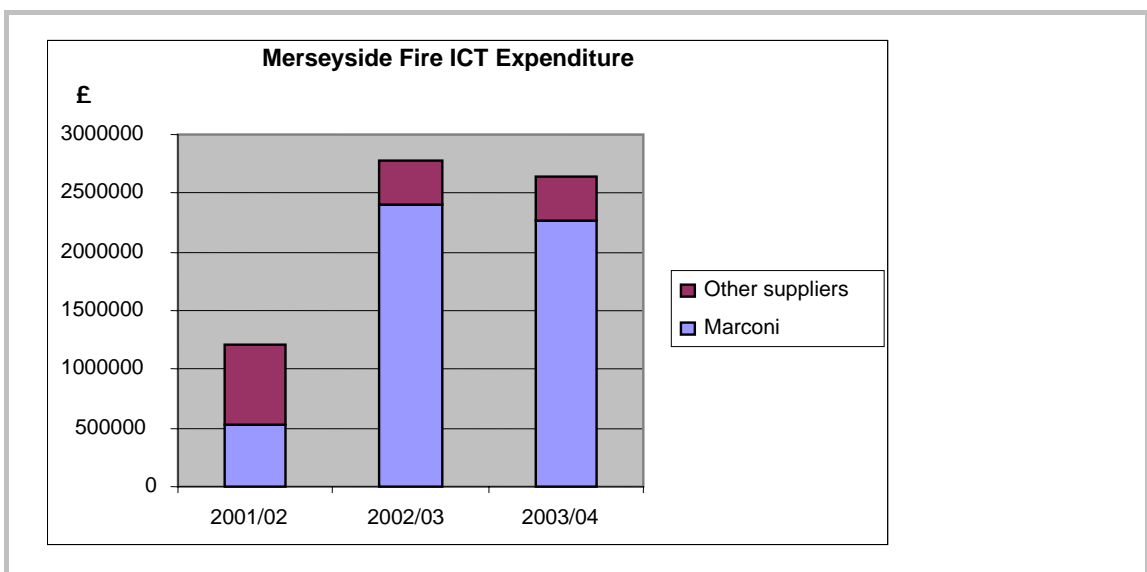
## Introduction and background

The Authority needs effective information and communications technology (ICT) to support service delivery and help to achieve the corporate objectives set out in the service plan. The Authority had identified a need for improvements in its ICT arrangements. As part of the 2004/05 audit we agreed to review the Authority's arrangements for managing ICT and dealing with external service providers.

The Authority invests a significant amount in ICT as shown in Exhibit 1 below.

### EXHIBIT 1 TOTAL ICT EXPENDITURE BY MERSEYSIDE FIRE

#### The Authority invests a significant amount in ICT



Source: Merseyside Fire finance department figures.

In 2003/04 the Authority spent around £2.6 million, which included £2.3 million with the main external supplier Marconi Corporate plc (Marconi).

The Authority needs to ensure that proper arrangements are put in place to safeguard the assets of the Authority and to ensure best value. The Authority has outsourced ICT to bring in the specialist resources and skills it needs. This includes managed service arrangements for finance and payroll systems and a contract with Marconi for the ICT infrastructure including the Command and Control function and radio network.

## Scope and approach

The Authority was aware of the need for improvements in managing ICT. Our review was designed to undertake an independent assessment of the Authority's ICT arrangements and identify key areas which needed to be addressed focussing on the following:

- developing the strategic direction for ICT; and
- managing the main external contract for ICT.

As part of our work we:

- sought to identify in house and purchased ICT services across the Authority, and analysed revenue and capital expenditure;
- reviewed the roles and responsibilities of ICT staff within the Authority;
- assessed the Authority's arrangements to manage outsourced contracts, focusing on the main ICT contract with Marconi; and
- reviewed arrangements for developing the ICT strategy.

We undertook our detailed work prior to September 2004 and shared key messages with the Director of Finance in September. Since then, we have kept a watching brief on progress. This report sets out our findings from our detailed work and seeks to reflect subsequent progress which has already been made.

## Main conclusions

There were weaknesses in the strategic management framework for ICT within the Authority. The absence of an ICT strategy and significant changes in senior management responsibility for ICT had impacted on the Authority's ability to provide a strategic lead for ICT in recent years.

We recognise that the agenda is moving quickly. The Authority had already identified areas for improvement within ICT arrangements, including the need for a clearer strategic direction. Many of the weaknesses we identified are already being addressed. Marconi has worked with the Authority to produce a draft ICT strategy. It is important that the strategy meets the Authority's specific requirements and objectives, aligns with the Service Plan and is owned by the Authority. Since our review the Authority reports significant progress in the implementation of ICT projects, including 'Network Evolution' connecting all stations with a priority mechanism for mobilising messages, and a new command and control system. Work is also underway to finalise the new ICT strategy.

The arrangements for managing the performance of ICT provision were underdeveloped and reactive. There was a risk that inefficiencies were not being identified and addressed. The Authority should put into place strong client side arrangements to performance manage external ICT contracts, and improve forward planning. Senior management need to become more engaged in monitoring ICT arrangements to provide leadership and to help to ensure that issues are addressed on a timely basis and value for money is obtained.

## The way forward

We identified a number of improvements, which needed to be addressed by the Authority. We recognise that the Authority has already started to strengthen ICT arrangements. We have agreed with officers that progress, which has already made against our recommendations, will be reflected in the Authority's detailed response to the action plan. We will use the completed action plan to form a baseline for any follow up work. Our recommendations are shown below.

Recommendations	
R1	Ensure that the ICT strategy and associated policies are owned by the Authority and meet Authority needs.
R2	Evaluate staff training needs and put in place an ICT training program.
R3	Clarify and document all Authority ICT systems to provide a baseline for future developments.
R4	Ensure the new ICT strategy will govern how ICT systems are purchased within the Authority.
R5	Clearly define internal ICT staff roles and client side arrangements.
R6	Ensure protocols are in place for the management of the Marconi contract.
R7	Put in place a performance monitoring framework for ICT with regular reports to the Corporate Leadership Team.
R8	Consider the introduction of a Joint Development Plan for the contract with Marconi, and incentives for savings to be sought for the Authority.

## Developing the strategic direction for ICT

*The absence of an ICT strategy had led to a lack of a strategic direction for ICT and the uncoordinated development of ICT systems.*

1. The absence of an ICT strategy had led to a lack of strategic direction for ICT, uncoordinated development of ICT systems and weaknesses in training and development to support staff to maximise the benefits of ICT.
2. There was no overarching ICT strategy and a number of ICT policies had been developed in isolation. The Authority has a number of ICT related policies, for example, ICT policies over email and telephone use introduced in May 2004, which should now be incorporated into the new overarching ICT strategy.
3. ICT systems had been introduced in an ad hoc manner and were not integrated with current systems. For example, there is duplication of ICT systems and data input within the Authority, such as the stores and finance systems which overlap in their functionality.
4. There was no formal ICT induction training or ICT training program for staff. The high volume of low priority calls received by Marconi's ICT helpdesk – 730 in Quarter 1 2004/05 - indicated a need for basic ICT training for all Authority staff.
5. Marconi and Authority staff have jointly produced a new draft ICT strategy for the Authority. The Authority should ensure the strategy is tailored to their specific requirements, meets the Authority's needs and objectives and aligns with the Service Plan. The Authority needs specifically to address the following issues:
  - how staff ICT needs are ascertained and addressed;
  - purchase of software and licences;
  - capital and revenue expenditure and forecasts; and
  - link to IRMP (Internal Risk Management Plan) to modernise the fire service.
6. The Authority will also need to provide an internal technical challenge over ICT arrangements and developments. This challenge could be provided by an ICT client manager within the Authority.

## Arrangements for managing ICT

*There has been inadequate control over some aspects of purchasing, management and co-ordination of the diverse ICT systems within the Authority. A number of ICT systems are stand alone and there is a risk of inefficient systems and duplication of information. The Authority needs to ensure it obtains value for money on its ICT expenditure.*

### In-house ICT services and expenditure

7. There has been inadequate control over some aspects of the management, purchase and coordination of the ICT systems within the Authority. The majority of ICT systems were not integrated, were not documented and there was no overview of Authority systems, exposing the Authority to the risk of duplication of resources and information.
8. ICT systems within the Authority included:
  - finance;
  - payroll;
  - PIMS (Performance Information Management System);
  - sophtlogic system (personnel, fire safety, rotas, etc);
  - the Red Kite Asset Management System; and
  - the Command and Control System.
9. During our audit we identified a number of ICT systems operating within the Authority, which are summarised at Appendix 1. The list is not exhaustive.
10. There was a lack of clarity amongst officers about where responsibilities lie for the various ICT systems and there was no clear corporate decision making process. We found little evidence of clarity amongst officers we interviewed on which systems Marconi provide and support. The Authority needs to clarify and document all ICT systems to provide a baseline for future development.
11. Robust controls are required to govern the purchase of ICT. Previously, departments had purchased ICT systems without central authorisation and notification. This had resulted in the uncoordinated development of ICT systems and pressures on internal ICT staff, and Marconi as the network service provider, to support the systems. The issues are now being addressed through centralised purchasing for all assets, including ICT, introduced in summer 2004. The Authority's 'commodity management' process includes the use of standardised contracts and conditions on all purchases over £20,000 and manages the procurement of contracts with the aim of obtaining preferential contract terms for the Authority.

12. The Authority's internal ICT team was largely reactive and had no systems for forward planning. The ICT team did not have any work plans and roles were unclear. The roles of the internal ICT team should be defined and individual work plans introduced, which fit with the strategic direction for ICT. In determining roles the Authority needs to ensure that adequate client arrangements for managing external ICT contracts are put into place, in particular:
- performance monitoring;
  - resolving issues with contractors;
  - jointly own responsibility for service provision;
  - act as primary communication route between the Authority and the contractor; and
  - be champion for and driver of improved performance.

### Arrangements for managing external contracts

13. Strategic and performance monitoring of external contracts was underdeveloped and needs attention at a senior level within the Authority.
14. Marconi is the main external ICT service provider for the Authority. Marconi provide and maintain the computer network, voice data and radio communications systems, and a 24-hour ICT helpdesk. Marconi are also responsible for ensuring the integrity and security (anti-virus) on these systems and provides and supports the key Command and Control System.
15. Marconi produces Service Level Agreement contract reports which include actual ICT fault response times compared to target, and customer satisfaction reports from helpdesk users. However, these reports are not widely circulated to all appropriate officers within the Authority and there has been little ICT monitoring by the Corporate Leadership Team.
16. The Authority had not adequately managed the external ICT contract with Marconi and there has been no active forward planning or performance management framework to ensure ICT services provided by Marconi met the Authority's ICT requirements. The Marconi contract does not include a Joint Development Plan setting out how future contract cost increases and changes in technology would be managed. There is little incentive for Marconi to seek discounts and savings for the Authority.
17. Overall expenditure with Marconi on capital items had increased in recent years. In 2003/04 Marconi expenditure amounted to £1.7 million under the service contract and a further £564,000, which included capital expenditure of £175,000. In the absence of arrangements within the Authority to challenge decisions taken by a third party, there is a risk that value for money may not be obtained.

## ICT systems operating within the Authority

A list of ICT systems we identified during our review.

Ref	System	Supplier	Description	Support	Integrated with other systems
1	MIS	Sophtlogic	Management information system	Hardware and supporting products are managed by Marconi. The Sophtlogic Contract is novated to Marconi but MFRS support the application.	Not integrated but an interface exists into Command AND Control system.
2	Blue 8 Geographical Information System	Northgate	Operational ICT system – IRMP (Incident Risk Management)	Hardware (servers and suppliers) are managed by Marconi. Support and development is provided by in-house ICT team.	Fully integrated with the Corporate Gazetteer.
3	Command & Control System	Fortek	Fires - mobilising (despatch) system	Fortek contract novated to Marconi.	None.
4	Red Kite Asset Management	Redkite	Asset tracking applications - for testing fire operational equipment (not appliances).	Hardware support is from Marconi. Product is supported by the in-house ICT team.	Stand alone system.
5	Capture IT	Vizual	Product for time, attendance and door access. Only in place at HQ, was never extended to all stations as initially anticipated.	System 'owned' by personnel department and supported by the internal ICT department.	Stand alone system.
6	PIMS	Ion	Performance indicator system.	Supported by in-house ICT team with telephone support from the supplier.	Interfaces to other spreadsheets, but in not integrated.
7	Corporate Gazetteer systems	Northgate	Address management and property database.	Supported by in-house ICT Team with telephone support from supplier.	Integrated with Blue8 GIS. Under development prior to roll-out.

Ref	System	Supplier	Description	Support	Integrated with other systems
8	Fox IT/ Cedar Roms	Fox IT	Finance and payroll system - also an electronic document management system.	Supplier and finance (Dave Nixon)	Stand alone system.
9	Mobile Communications Infrastructure				
10	Internet/ Intranet		Website for distribution and collection of MFRS information.	Supported by in-house ICT team and Marconi.	Stand alone system.

## Action plan

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
4	R1 Ensure that the ICT strategy and associated policies are owned by the Authority and meet Authority needs.	3	Exec Director Finance, ICT and Procurement	Agreed.	Policies presented to and approved by the Authority.  Strategy approved by CLT.  Strategy to be presented to Authority end of July. Will be shared with E-Govt champion in advance. Authority members to be included in review process.	May 2005 June 2005  July 2005
4	R2 Evaluate staff training needs and put in place an ICT training programme.	2	Director of Training and Development	Agreed.	Meeting to review IT Training Strategy. ICT training needs identified. Appropriate IT Training solutions identified. Commence delivery of IT Training.  It should be noted that it is intended that the proposed new ICT Director will give strategic leadership to this.	June 2005 December 2005 January 2006 Early 2006
4	R3 Clarify and document all Authority ICT systems to provide a baseline for future developments.	2	ICT Service Delivery Manager	Agreed.	Currently listed in full in ICT Strategy, SOCITM Survey and ODPM Survey documents. Records now being regularly maintained. Single source of this data to be set up.  It should be noted that it is intended that the proposed new ICT Director will give strategic leadership to this.	July 2005

Page	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
4	R4 Ensure the new ICT strategy will govern how ICT systems are purchased within the Authority.	2	Director of Procurement	Agreed.	Authority are developing a joint ICT procurement strategy with Marconi that will be formally agreed and added to ICT strategy. Procurement strategy is documented in Joint Development Plan (see R8).	October 2005
4	R5 Clearly define internal ICT staff roles and client side arrangements.	2	Exec Director Finance, ICT and Procurement	Agreed.	Currently under review. It is anticipated that this will be finalised upon appointment of ICT Director post.	December 2005
4	R6 Ensure protocols are in place for the management of the Marconi contract.	3	Exec Director Finance, ICT and Procurement	Agreed.	Performance of ICT contract is already closely monitored against SLA's. This is being widened to review overall performance of the ICT function.  A strategic ICT Partnership group has been established and has met for nearly a year. Review existing arrangements of monthly performance meetings and escalation process.	August 2005
4	R7 Put in place a performance monitoring framework for ICT with regular reports to the Corporate Leadership Team.	3	Exec Director Finance, ICT and Procurement	Agreed.	First Full review of ICT function to CLT and Authority in July.  Implementation of ICT Strategy Group and reporting on a six monthly basis to CLT and to the Authority.	July 2005  August 2005
4	R8 Consider the introduction of a Joint Development Plan for the contract with Marconi, and incentives for savings to be sought for the Authority.	2	Director of Procurement	Agreed.	Joint Development Plan to be agreed.  Expect plan from Marconi to take cost out of service provision.	October 2005