

**Decision Maker:** EXECUTIVE AND RESOURCES  
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** 11<sup>th</sup> October 2017

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** BT ICT contract monitoring report

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**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** n/a

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1. Reason for report

The second performance report of the BT ICT contract utilizing the Pan London Framework, covering year 1 Q3 & Q4 and Year 2 Q1& 2

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2. **RECOMMENDATION**

The Executive and Resources PDS is requested to note the information contained in this report on the performance of BT in their delivery of ICT services during the period 1<sup>st</sup> September 2016 – 31<sup>st</sup> October 2017. The report has been split into years 1 (2016/17) and year 2 (2017/18). This allows the report to cover Q3 & Q4 of the first full year including a first full year review and the first half of year 2.

### Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Excellent Council:
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Information Systems – BT contract budget
  4. Total current budget for this head: £2.42m
  5. Source of funding: Existing revenue budget 2017/18 and Capital Programme
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### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: None
  2. Call-in: Not Applicable:
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): ICT systems used by all LBB members, staff and the General public
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### 3.1 Background

3.1.1 BT was awarded the ICT contract in October 2015 and commenced on 1<sup>st</sup> April 2016. The service is divided into 3 distinct service area's as defined by the Pan London Framework.

Lot 1 - End User Computing (desktop / laptops etc)

Lot 3 - Data Centre Services (servers / storage).

Bespoke services - Cover the remaining elements of networking and helpdesk.

The contract is predominately consumption based therefore is flexible and as services are reduced then the cost decrease, conversely if an element is used more often, then the costs would increase.

#### 3.2 Service Performance

3.2.1 **Lot 1 End user computing - Year 1 Quarter 3 + Quarter 4:** There were no breaches of Key performance Indicators (KPI) in this reporting period.

3.2.2 **Lot 1 End user computing - Year 1 review.** There has only been a single KPI breach in the first full year which due to the circumstances was given a waiver as reported in the previous monitoring report. Overall, we believe that given that this was the first year this is an excellent performance.

3.2.2.1 **Lot 1 End User Computing – Year 2 Q1 + Q2:** As we enter year 2 there are no breaches of KPI showing consistently high performance.

3.2.2.2 **Lot 3 Data Centre Services - Year 1 Q3 + Q4:** there was a single breach of KPI in September 2016 on the P3 call service. This was due to an urgent change in scope on an outsourcing contract. The only way to accommodate this change and prevent that process failing or being delayed was to use a BAU resource to undertake the work. The remaining team members picked up as much additional work to maintain the service but we did fail on the low priority (P3) resolutions. Given that this was an urgent Bromley request BT were granted a let for that KPI. This shows that BT and Bromley are willing to be as flexible as possible to achieve the service that LBB require and work truly as partners.

3.2.3 **Lot 3 Data Centre Services - Year 1 review:** In year 1 there have been 2 breaches in the KPI's one of which was given a Waiver as detailed above. The KPI that failed was identified (Lync call handling) and changes made to the process. There has been no re-occurrence of that failure.

3.2.4 **Lot 3 Data Centre Services – Year 2 Q1 + Q2:** As we enter year 2 there are no breaches of any KPI's with the service showing consistently high performance.

3.2.5 **Bespoke Services:** Bespoke services cover the service desk, Network and backup services.

3.2.5.1 **Service desk – Year 1 Q3 + Q4:** There have been a total of 5 KPI breaches, 2 in October 2016, 2 in December 2016 and 1 in January. October was due to staff sickness therefore the KPI penalty was applied. In December LBB were upgrading a software package and when the updates were applied it caused an intermittent problem with seemingly random user accounts becoming locked out. Unfortunately, the symptoms were not immediately obvious and this happened over a few days and we were alerted to an increase of calls to the helpdesk for users becoming locked out. The product was taken offline and BT assisted LBB in resolving the issues. Unfortunately, this had an effect in the number of calls to the

helpdesk which then caused a breach of the 2 KPI's in October. Due to the recent failure of the KPI rather than give a complete waiver to the whole KPI for that month, we allowed BT to excluded account lockout calls from the KPI calculations for the days that the product was running. Once removed then the KPI returned normal levels. The Third KPI breach was in January 2017 related to calls abandoned. This was explained as a member of staff on leave and another being off sick. Lessons have been learned from that and additional staff are being trained to cover the LBB helpdesk thus minimising the risk of staff shortage. There has been no repetition.

- 3.2.5.2 **Service Desk – Year 1 Review:** there has been 5 individual KPI breaches and 2 waivers. The 2 waivers were given as they were caused by LBB as detailed in the Q3 + Q4 section above. Given the importance of the helpdesk as it is at the sharp end of the IT service we believe this has been an extremely good first year, however it does highlight a need to closely monitor the number of incoming calls and appropriate staffing levels to ensure that the high level of service to LBB staff is maintained.
- 3.2.5.3 **Service Desk – Year 2 Q1 + Q2:** There have been no breaches of the KPI in this reporting period however here has been an increase in the call volumes taking us above the baseline figure. We have reviewed the call breakdown and there is no individual spike highlighting an issue that we can immediately address. Please see call volumes for further information.
- 3.2.5.4 **Call Volumes:** The service desk receives typically 2 types of request which are Fault calls and service requests. The service desk receives between 1900-2400 calls per month, with the higher percentage being service requests. Since February 2017 we have seen continued growth in the call volumes with a peak in May of nearly 3000 calls and as mentioned above there is no single reason for this increase although user administration, which includes user setup & configuration changes, has seen the largest increase. To ensure that the service does not drop performance we will need to increase the number of staff on the helpdesk to maintain service levels which does have an impact on the costs. The baseline is monitored and if the calls drop over a 3 month period we will re-baseline and our costs will accordingly be reduced. In the meantime, we are still monitoring calls to determine any underlying issues that we can resolve to help reduce call volumes.
- 3.2.5.5 **Analysis of Calls:** Looking at the breakdown of the calls to the help desk are around e-mail. This increase is due to the exchange migration project which has been extremely challenging. Whilst much of the work is being done out of hours the users can still impacted when they next logon. Once the project is completed we would expect the number of calls to reduce as the system enters a stable state. Carefirst is another aging system which has recently been moved to a hosted platform prior to the implementation of the new Eclipse product. This should reduce the number of calls as the new system is more stable and less reliant on older technologies. Lync is the councils telephony system used by all members of staff, therefore has a wider user base than almost any other system. Although a relative low number of calls over the year have been logged with the service desk it requires further investigation as it is a key communication channel for the public. Once the analysis of the Lync estate is complete we will remediate any issues found.
- 3.2.5.6 **Service charges:** The initial budgetary figure for the BT contract as reported to Executive in October 2015 was £1.85 Million. Following due diligence the actual figure reduced to £1.67 million. So far with the consumption model we have saved circa £73k to date. As we continue with upgrading and decommissioning servers and reducing staffing volumes this decrease will continue.
- 3.2.5.7 **Networking:** The network BAU service is covered under the lot 1 & 3 KPI's as incidents are generated from end user device / Server connectivity issues. There is a specific KPI for internet connectivity. The actual internet service provider is via the London Public Service

Network, who provide a 200mb resilient solution to the authority. BT are responsible for ensuring that the internet connection is available from and to the LBB network. This KPI has not been breached. However there was a complete outage from the service provider which affected Bromley and the majority of the UK on the 7<sup>th</sup> July 2017. Since this is not within BT's control there was no impact to the SLA's and the LBB infrastructure was available.

- 3.2.5.8 **Backup:** The Backup Appliances were brought across from Capita and as part of the infrastructure refresh project the backup appliance has been upgraded and its storage capacity has been extended. Moving forward there is additional functionality that we can use now that our new storage area network is available and all data moved to this.
- 3.2.5.9 **E-Mail Summary:** The levels of e-mail received have increased slightly over the past year to around 400,000 per month. The number of Spam messages has remained relatively consistent and are being blocked. Once again the biggest drop has been in traditional virus infected e-mail with minimal being received. Looking at industry trends this is a typical pattern as currently more effort is being put into ransomware as this is becoming the most profitable. Ransomware is where a machine is compromised and the files on the computer are encrypted. The only way to decrypt the files is to pay a ransom in bitcoins to the creators of the ransomware and hopefully receive a 'key' to unlock your files. Typically these types of threat are spread in e-mails, many of which are actually detected as spam as the e-mails themselves contain no malicious content but provide a link to an infected website, hence there is no malicious content to 'find' within the e-mail.
- 3.2.5.10 **Customer Satisfaction Survey:** The yearly staff satisfaction survey has not yet been sent out. This has been due to the increased workload that project Esther has created. Once this has been completed then a survey will be run in November 2017.
- 3.2.5.11 **Change requests:** There are 2 main types of work packages. Service requests and Contract Change Notifications (CCN's). Service requests are small pieces of work such as user administration requests and small / simple PC moves & changes. The cost for this type work is part of the main contract and typically covered by the BAU service. CCN's are for work not covered by the core contract. This could be for major updates to the live environment run by B.T. such as a major refresh project or to assist with installing a new system or service being installed by a 3<sup>rd</sup> party.
- 3.2.5.12 The CCN's use the same rates as the contract pricing which are regularly reviewed and bench marked by Westminster to ensure they represent value for money. CCN's are either Fixed price or Time and Materials (T&M) depending if the outcomes can be clearly time boxed. T&M CCN's are typically larger scale work packages which are monitored in regular project meetings.
- 3.2.5.13 Several key projects have been undertaken by BT including the major refreshes to the live environment including Server 2003 replacement, SQL server update & consolidation, Application migration, SAN migration and migration of the Virtualised server environment. As part of these we have been able to decommission a significant number of servers which reduced the baseline costs. These have been partly offset by new servers we have had to bring online as we under take changes to several of our key applications such as our e-mail system.
- 3.2.5.14 Performance of CCNs are measured individually, but overall performance has been very good with the majority of projects being delivered on time, on budget and without any problems, however as with any major IT projects there have been challenges on some of the key infrastructure refresh projects which have to be dealt with and BT have displayed a degree of adaptability and partnership working that we have not experienced with other outsourcers.

- 3.2.5.15 As can be seen by the chart we have undertaken a large number of projects. The amount of projects we are undertaking is quite exceptional however given the number of changes happening within the organisation this is perhaps to be expected. These figures also includes a number of infrastructure projects that were not completed by the previous outsource supplier and we have to complete to remain secure and achieve the necessary levels of security compliance.
- 3.2.5.16 Major CCNs are typically funded by capital schemes in the case of ISD, but there has also been funding pulled from the technology fund to replace a large number of PC with laptops in adult & children services.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The actual spend on the BT contract for 2016/17 was £2.32m compared to a revenue budget of £2.40m. The under spend of £80k relates to the variable element of the contract. In addition a sum of £360k was spent on capital schemes.
- 4.2 As at 31 August 2017, no variance has been projected against the revenue budget of £2.42m and £67k has been spent on capital schemes

<b>Non-Applicable Sections:</b>	Policy Implications, Legal Implications, Personnel Implications
Background Documents: (Access via Contact Officer)	BT Performance report.