

Delivering the operational platform

Introduction

During 2012/13, as set out in the *2012/13 Business Plan*, the FSA continued to ensure that it had the right people with the right skills, invested in its infrastructure and delivered the operational changes for the transition to the new regulatory structure.

This chapter will set out how the FSA delivered its' operational platform.

People

The FSA continued to attract a diverse range of talented people to the organisation mostly due to the exciting change programme and variety of work on offer in the lead up to and implementation of the FCA and PRA. Acceptance rates were exceptionally high, with 95% of all offers made in 2012 accepted by applicants.

The FSA also made great strides in equipping senior staff with depth and breadth for the challenges of the FCA and PRA. During the year it strengthened senior staff levels with the recruitment of five new directors and 30 new heads of department to drive the new organisational structures following legal cutover. This was achieved using the revised recruitment approach for senior staff and these recruits were assessed against new behavioural requirements.

Having hired talented staff, the FSA continued to develop them through training and competency programmes and to see levels of employee engagement in line with high performing companies. To ensure that at cutover the FCA and PRA were well prepared with the right technical skills, the FSA refreshed the supervisory training modules for PRA and FCA bound staff to reflect the changing objectives and approach.

IS development

Information Systems Investment Programme (ISIP)

The FSA started a significant investment in its IS systems and capability this year with the set-up of its ISIP. The core objective of ISIP is to achieve an acceptable level of operational risk to the FSA and successors in relation to their platform and estate. This will ensure continuity of service for key regulatory systems and improve the ability to make changes to these systems.

In the 2012/13 *Business Plan*, the FSA committed to:

- stabilising the technology used by supervisors to analyse data and produce reports;
- starting the process of retendering outsourced IS services;
- completing upgrades of key applications;
- investing in IS tools and methodologies;
- continuing to ensure the FSA retained IS knowledge and reduced its reliance on contractors; and
- started to develop the future regulatory systems needed to support the work of the FCA.

During the year the FSA stabilised two of its key analysis systems – the business intelligence system, which is used to analyse the supervisory data received from firms and produce the reports used by supervisors, and consolidated the product sales data reporting into the GABRIEL strategic platform.

The FSA restructured its existing contract for outsourced services with Fujitsu. As well as delivering increased value for money, it provides greater clarity on service descriptions that can be taken to market, if this course of action is taken in the future.

The FSA also completed a refresh of its entire end-user computing estate and rolled out new computers to all staff. This includes rationalising the server estate to create space within data centres and reduce costs. Looking forward to the FCA, the FSA started to replace databases that underpin key regulatory systems such as GABRIEL and the FSA Register. 220 databases for 25 key systems have been identified and scheduled for replacement over the next two years.

To enhance the other areas of the ISIP the FSA delivered three key workstreams in its IS approach. These were to roll-out a standardised Project and Portfolio Management solution to support delivery of the significant change portfolio, implementation of a suite of system testing tools as the first step of a journey to update the testing approach; and a framework for ‘agile’ approaches to systems development that is now being rolled out to some key programmes to reduce the time and cost of delivery.

To enhance knowledge retention the FSA reduced its contract staff, replacing around 70 contractors with permanent staff.

As the vision and objectives for the FCA developed through the year, the FSA also progressed its technology approach. The first steps were to commence the replacement of the telephony infrastructure that supports the Contact Centre and other specialist telephony areas such as Whistleblowing, which helps provide a better service to regulated firms and other stakeholders. The FSA also made some improvements to the existing ONA platform in 2012/13 and started a project that will look to move the ONA service to a more resilient platform.

Operational changes for the transition to the new regulatory structure

Through the year the FSA conducted detailed planning for the operational delivery of the new regulatory structure. This was successfully delivered at the end of the financial year with the creation of the FCA and PRA.

This required all facets of the operating platform to work together to deliver the changes required. From a people perspective, what roles and staff would transfer to each future regulator was determined and 'TUPE-like' transfer of staff to the BoE was conducted. As well as staff were transferred over 1.8 million information records. The transition also included the transfer of office equipment to minimise the costs on the industry.

Underpinning the operational relationship between the FCA and PRA is a Provision of Services agreement with the BoE describing how the FCA will provide support to the PRA. This agreement covers systems support and other services such as fees collection, enforcement and intelligence services, contact centre and handbook.

Olympics planning and business continuity planning

The FSA was conscious of the potential disruption that the Olympics could cause to its own operations and the wider financial services sector. Internally, the FSA adapted its approach during the period of the Olympic and Paralympic Games and maintained its business-as-usual activity. Externally, it worked closely with firms to ensure they were well prepared for any disruption. This included a review of contingency plans, implementation of alternate working arrangements and business working patterns to reduce the demands on public transport and successful testing of these plans ahead of the games.