

Subject:	IT Investment		
Date of Meeting:	19 March 2020		
Report of:	Acting Chief Finance Officer		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT:

- 1.1 This report sets out recommendations for investment in the council's core technology foundations and digital solutions to keep the council cyber-safe, provide services with a reliable, fault-free infrastructure, and support delivery to front-line services and enable them to implement service initiatives which will deliver the Corporate Plan 2020-23.

2. RECOMMENDATIONS:

- 2.1 It is recommended that Policy & Resources Committee approves IT capital investment of £3.800m for 2020/21 for the purpose of upgrading foundational IT and providing service innovation through cloud and other digital technologies.

3. CONTEXT/ BACKGROUND INFORMATION:

- 3.1 The context for this report is structured in four parts:
- Backlog investment in the underpinning technology;
 - Continued Cyber threats;
 - Deployment of digital capabilities to support service innovation.
 - Laptop and desktop replacement programme

Backlog investment in the underpinning technology

- 3.2 Until recent years, the Council had not put in place sufficient investment to maintain its core technology foundations. This resulted in a significant backlog of remediation and recovery work to replace and upgrade many aspects of IT infrastructure including its network, storage, devices, servers, etc. This lack of investment is due to a combination of pressures on the council's revenue resources which has limited the resources available for financing investment, together with the need to prioritise available investment in addressing data and network security, GDPR and other infrastructure weaknesses as well as emergency replacement of end of life equipment.

- 3.3 The aging estate has been the primary contributing factor in poor workforce and customer experience, as evidenced in staff surveys, and a lack of progress in service modernisation.
- 3.4 An efficient and resilient technical infrastructure is an essential foundation for all technology projects across the authority. Additionally, a modern, well managed architecture reduces the threat of cyber-attack and helps avoid the financial and reputational cost incurred because of technical failure.
- 3.5 Increased investment in the previous two years has improved this picture and there are now fewer major incidents, an improving level of customer satisfaction, including an improved IT&D support hub (formally the IT ServiceDesk), and reduced downtime of core applications and corporate systems.
- 3.6 To avoid a return to an underperforming IT service, increasing cyber-security and the operational risks associated with an aging IT infrastructure, it is essential that investment levels are maintained across the Council's IT estate.

Continued cyber threats

- 3.7 Our increased reliance on technology and digital transactions, along with the growing use by criminals of bots and malware to industrialise cyber-attacks means that the threat of a successful attack on the council continues to rise.
- 3.8 IT industry research consistently shows the cost of a successful attack is increasing year-on-year. Although clearly dependent on the nature of the attack, the cost in terms lost revenue/service downtime, resources to fix problems, penalties, and potential reputational damage can be financially crippling for organisations.
- 3.9 In this context, it is critical that the security of the organisation's technical infrastructure in an ongoing area of investment and improvement.

Deployment of digital capabilities to enable service innovation

- 3.10 The demand for service innovation and the continued support and maintenance of existing digital products and platforms requires that the programme capabilities transfer into central corporate services and become part of a continual service improvement offer to customer facing directorates and services.
- 3.11 In response to the current context, continued investment is required in the following areas:
- Upgrading of foundation IT across the council
 - Investment in digital innovation

4. IT INVESTMENT PROGRAMME

Upgrading of foundation IT across the council: £1.800m

- 4.1 Increased investment in the last two years has enabled a number of major technical improvements. These include:

- the building of a new Citrix environment;
 - migration of services to a dedicated data centre;
 - the decommissioning of over 70 end-of-life 'Server 2008' implementations;
 - the introduction of a new mobile phone offer;
 - the migration of email services to the Microsoft cloud;
 - the introduction of Wi-Fi to around 40 smaller sites; and
 - the introduction of Windows10 and the associated rollout of 4,000 new Windows10 devices.
- 4.2 These enhancements have addressed long-standing business demand and enabled new modes of flexible and agile working. Coupled with specific security improvements such as new password controls, software patch management and the introduction of new Information Governance training, significant improvements to the resilience of the infrastructure on which the organisation is wholly reliant have also been made.
- 4.3 In order to continue to improve the foundational IT in line with user expectations, the following projects are proposed for 2020/21:
- i. Following the decommissioning of Server 2008 environments, a new project to remove SQL Server (end of life July 2022) and Server 2012 (end of life Oct 2023) is required. Assessed volumes and scale indicate a 3-year migration project will need to be initiated in 2020/21. Financial implication: £0.080m (£0.240m over 3 yrs.)
 - ii. Roll-out of core Microsoft Office 365 applications including the deployment of Microsoft OneDrive to replace personal network drives which will address issues of file transfer between mobile and network devices. Microsoft 'Teams' will also be deployed to replace the soon to be end-of-life Skype for Business and a like-for-like SharePoint deployment will replace the current out-of-support SharePoint environment. Financial implication: £0.120m
 - iii. Further renewal of the core data network to update key components (e.g. 12-year-old, end of life router equipment), deploy a more robust firewall and develop a new remote access solution using 'Always on VPN' to replace the soon to be end-of-life Direct Access solution. Additional Wi-Fi access points will also be installed to increase Wi-Fi coverage. Financial implication: £0.350m
 - iv. Explore the potential of the wide-ranging suite of Microsoft Office 365 tools and implement only those where the business case can demonstrate that they will support either process efficiencies, improved customer experience, improved flexible, agile or partnership working and/or other objectives such as Our People Promise to provide improved applications and capabilities for staff and services. Financial implication: £0.450m
- 4.4 Alongside the proposed improvements to foundation IT, modernisation funding has been identified in 2020/21 to support the transition of existing contracts for software and services to the future needs of the council. In the first instance these resources will fund these contracts during the period of rationalisation and

supplement the existing revenue budget in 2020/21. Financial Implication: £0.800m.

Investment in digital innovation: £1.750m

- 4.5 Following the end of the Digital First programme in March 2019, several complete and partially complete digital products were transitioned into the IT&D service along with ownership of the two primary digital platforms (Mendix and Dell Boomi) that the products were developed on. A small number of developer and project manager staff from the programme were also moved into roles in IT&D.
- 4.6 A detailed review of completed Digital First work and the outstanding backlog revealed the need to undertake some remedial work to ensure the underlying design of digital solutions is on a sound and sustainable footing.
- 4.7 Additionally, three priority areas of focus for the year were considered and agreed by the Corporate Modernisation Delivery Board (CMDB):

Priority 1: BHCC Website content transition and development. IT&D have partnered with the Corporate Communications team to complete the Drupal 7 to Drupal 8 content transition initiated under Digital First. Under this project all current web forms (over 250) are being reviewed and decommissioned or redeveloped. Drupal 8 provides significant additional workflow capabilities.

Priority 2: 'MyAccount': Residents and organisations will be able to sign-up for a single account to access council services online from 26th February 2020. Initially covering Council Tax, and then Cityclean services, the solution will also provide a single point of information for checking and updating personal details which will update the central Customer Index, ensuring that all systems share the correct common data (e.g. address information).

Priority 3: Customer and Property Index. These indexes comprise of multiple data-matching and data-cleansing capabilities including 'Customer Viewer' used in Access Point and Corporate Debt teams to improve customer data quality and reduce customer and officer time. For example, Bus Pass Renewals which reduced the need to process over 20,000 manual renewals to just 1,000 saving £25k p.a. and vastly improving the customer journey.

- 4.8 Associated with MyAccount is the development of a basic Customer Relationship Management (CRM) process which makes online form transactions available to services in a single repository rather than via email and allows for secure messaging back to customers through two-way interfacing. This greatly improves data security, auditing, reporting and reduces officer time spent manually handling cases.
- 4.9 The Digital team have also completed multiple products initiated under Digital First, including Community Grant applications, CityClean quick lockouts, Cityclean garden waste, Housing rogue landlords, Housing environmental improvement survey and a generic 'report a problem' app.

4.10 In order to continue to improve the digital offer, the following work is proposed for 2020/21:

- i. Extend the use of MyAccount to cover additional customer services and develop Power of Attorney and account sharing capabilities. Proposed services include:
 - Easily accessible benefits statements;
 - eStore payments to improve ease of on-line payments;
 - development of customer facing services associated with the new Social Care and Housing corporate systems; and
 - roll-out of the CRM tool to all services handling customer transactions where back office tools do not provide case management capability. This avoids the use of email for case handling, thereby improving information governance, customer satisfaction and officer efficiency.
- ii. Continue to develop the Customer and Property Indexes with a view to providing cross-system dataset look-up capabilities and data quality improvements;

4.11 Continue to explore and develop Business Intelligence (BI) solutions to improve ease of access and visualisation of management information and analytical data. Explore and implement Robotics and AI solutions where business cases can demonstrate that significant process efficiencies and/or improved customer experience (e.g. speed of service) can be achieved.

Desktop and laptop replacement programme £0.250m

4.12 During 2019/20 the council is spending significant resources for the Windows 10 roll out which includes the replacement of most laptops and desktop computers. A 4- 5 year replacement programme will be included in future capital investment programmes however replacement equipment will continue to be required in intermediate years as part of normal turnover with an estimated cost of £0.250m in 2020/21.

5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

5.1 Gartner research indicates that organisations similar in size to BHCC could make around a 5% saving on application licencing costs (equivalent to approximately £40k p.a.) when switching from Microsoft Office 365 to Google G Suite. However, the project costs to migrate and the associated costs of re-skilling the IT&D department alongside end-user training, procurement of additional solutions to fill capability gaps and lost productivity would create a £multi-million capital investment demand and introduce very substantial organisational risk and upheaval at a time when IT investment is just catching up and beginning to improve services.

5.2 No other viable options were identified.

6. COMMUNITY ENGAGEMENT & CONSULTATION

6.1 No formal consultation has been undertaken with regard to this report. However, IT&D has a number of Business Partners aligned to service directorates who work with Directorate Management Teams to understand, advise on and

feedback service demands, planned developments and other IT and Digital requirements. Key internal stakeholders have also been consulted including the Chief Information Officer for Orbis to ensure alignment with Orbis partner programmes wherever practicable and the Head of Performance, Improvement & Programmes (lead responsibility for Customer Service Strategy) to ensure alignment with council's customer service approach.

7. CONCLUSION

- 7.1 The proposed IT Investment in this report will enable the council to support its service delivery and digital ambitions and enable to deployment of technology to bring about improved access to information for better decision making, improved customer service and back office processes.

8. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 8.1 This report sets out the £3.800m investment proposals in IT for 2020/21. These resource requirements were set out in the capital investment programme approved at Budget Council in February 2020. This included £2.550m from the modernisation programme; £1.000m for the ICT fund and £0.250m for the Laptop and Desktop renewal programme.
- 8.2 The Modernisation resources are funded through the flexible use of capital receipts as agreed by government; the ICT Fund is funded by a combination of capital receipts and council borrowing, and the laptop and desktop replacement is funded from council borrowing. The borrowing costs are built into the revenue budget and the planned use of capital receipts are included in the capital receipts reserve projections.

Finance Officer Consulted: James Hengeveld

Date: 09/03/20

Legal Implications:

There are no legal implications arising from the outlined proposals at this stage. Under the Council's scheme of delegations, any projects involving a procurement with a contract value in excess of £500k would require separate Committee approval and would need to be reviewed for legal and financial implications at that stage.

Lawyer Consulted: Elizabeth Culbert

Date: 09/03/20

Equalities Implications:

- 7.1 Brighton & Hove Council is committed to providing its services in a way, which promotes equality of opportunity at every possibility. Any supplier of service will be required to comply with the relevant Equality and Diversity legislation.

Sustainability Implications:

7.2 No significant implications arising from this report.

Any Other Significant Implications:

Risk and Opportunity Implications

