

Brighton & Hove City Council

Policy & Resources Committee

Agenda Item 143

Subject: Digital Data and Technology Investment

Date of meeting: 16 March 2023

Report of: Executive Director Governance People & Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 This report sets out a proposed package of investment which will lessen the risk of cyber-attack, address the need to replace end of life technologies and maintain the necessary funding arrangements to continue ongoing digital transformation activity. These areas of investment have been identified as part of an extended period of consultation, analysis, and planning during 2022/23.
- 1.2 This report seeks Committee approval to establish a 4 year capital programme that provides a flexible forward view of investment requirements that can be adjusted to meet the changing needs of the Council and respond to innovation and developments in the technology market place.
- 1.3 As part of this capital plan this report also seeks Committee approval to the commence the necessary governance, procurement and delivery arrangements required in 2023/4 to implement the essential change detailed in attached documents ('BHCC Digital, Data and Technology Strategy.pdf' and 'DDaT Investment.xls') and outlined in this report.

2. Recommendations

- 2.1 That the Policy & Resources Committee notes the proposed essential investment of £16.640m identified in Appendix 2 over the period 2023/24 to 2026/27.
- 2.2 That the Policy & Resources Committee approves the investment of £6.170m for 2023/24 including increased capital resources of £2.670m.
- 2.3 That the Policy & Resources Committee notes reports will be presented to this committee in March each year to revise future year allocation requirements in line with other annual (rolling) capital programmes.
- 2.4 That the Policy & Resources Committee delegates authority to the Executive Director Governance, People & Resources to commence procurement activities, in consultation with PAB as appropriate, and award contracts for

the supply of services in support of the DDaT Strategy and take other steps necessary to support the delivery of DDaT investments up to £16.640m including any future variation to the programme approved by the committee.

2.5 That the Policy & Resources Committee approves the DDaT Strategy.

3. Context and background information

3.1 Digital, Data and Technology (DDaT) is one of the Council's key pillars that forms part of the organisation's Business Framework and operating model. Alongside the other organisational pillars, DDaT is essential to supporting and enabling the Council and its services to deliver improved outcomes for customers, within the constraints of the current fiscal pressures.

3.2 The DDaT Strategy (provided in Appendix 1) details the need for further development of DDaT capabilities at a pan-council and service level. The delivery of this strategy will be overseen by a DDaT Governance Board chaired by the Chief Executive (as detailed in section 6.3 of the strategy). This governance framework will provide effective scrutiny of investments and ensure the effectiveness of delivery activities.

3.3 Developing DDaT capabilities and delivering on the organisational ambitions in the medium to longer term will require initial focus on current and emerging risks to ensure that the appropriate technical foundations are in place.

3.4 Investment in these 'essential' capabilities will be governed under the three programmes included in the overarching DDaT Portfolio:

- i. Foundational IT - the underlying technology infrastructure, devices and systems that enables the organisation to use, store, access and share information internally, with partners and with residents in a secure and reliable way. It is essential that core IT service are up to date and receiving critical security updates and that Council data backup and recovery solutions are more robust.
- ii. Data - how the organisation captures, stores, shares, uses and manages data to improve quality, relevance and availability to inform decision-making, drive policy, strategic change and ensure best outcomes for clients, customers and the city. It is essential that practices are in place to ensure services meet statutory reporting duties with accurate and reliable data. Staff are compliant with GDPR policies and have an awareness of basic practices for using data.
- iii. Digital Customer - how the council interacts with customers and supports digital engagement with clients, governs the adoption of a single council digital 'front door' for high volume, transactional services and manages electronic customer contact. It is essential that existing digital solutions and their platforms are maintained to ensure that they meet customer expectations and provide a continuity of service.

- 3.5 A breakdown of the activities and their associated values can be provided in Appendix 2 (DDaT Investment.xlsx). The costs provided are based on recent market research and represent a forecast of anticipated cost. These are subject to changes due to inflation and general changes in the market. Cost will be managed at a programme level and will not exceed an overall programme budget without appropriate approval.

4. Analysis and consideration of alternative options

- 4.1 During 2022 the organisation worked with the consultancy group 31Ten to support the collection and analysis of future DDaT requirements from across the organisation. Through a process of consultation and refinement with the Executive Leadership Team and their respective Directorate Management Teams requirements were categorised as non-discretionary, 'must do', activities and discretionary ('should do' and 'could do') activities.
- 4.2 Activities categorised as non-discretionary will maintain current business capabilities by reducing or removing areas of risk, replacing end of life technologies, and maintaining the current levels of digital transformation activity. Discretionary activities provide opportunities to improve and expand existing business capabilities and as such will be subject to business approval through corporate modernisation.
- 4.3 As a result of this analysis, the essential areas of investment described in this report are defined and fixed. However, via the governance of the DDaT strategic portfolio and the associated procurement processes, we will be seeking a broad range of solution options and best value.

5. Community engagement and consultation

- 5.1 Community engagement and consultation is not required in relation to this strategy or the implementation of the essential changes

6. Conclusion

- 6.1 The DDaT strategy and the associated investments focus on establishing corporate capabilities, resources and solutions to support and enable service transformation.
- 6.2 Achieving the ambitions set out by the organisation first requires investment in a set of essential areas to address information security risks, risk associated with end-of-life technologies and the need to increase capacity within the digital customer development.
- 6.3 The consequence of not investing in the areas outline would leave BHCC open to a higher risk of cyber-attack, a disruption to the day-to-day business operations and introduce severe constraints on service ambition to modernise.

7. Financial implications

7.1 The proposed allocation of £16.640m over the period 2023/24 to 2026/27 only includes those investment items assessed as essential. The investment includes both capital and revenue items of which £1.750m per year relates to Modernisation funding allocations for Digital customer and this has been funded in part through capital receipts utilising the government's 'capital receipt flexibilities' which expire in March 2025. However, this investment is assumed to be ongoing and therefore will need to be included in the revenue budget.

7.2 The capital programme included an indicative replacement laptop and desktop allocations and these are updated within Appendix 2. In addition, the capital programme includes £1.000m per annum for core IT&D capital investment and it is proposed to allocate £0.750m per annum to support the DDaT Strategy.

7.3 In summary the investment requirements are as follows: -

Investment Requirement - Essential	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000
Foundation IT	3,660	1,850	1,100	350	6,960
Data	260	260	260	260	1,040
Digital customer	2,250	2,130	2,130	2,130	8,640
Total	6,170	4,240	3,490	2,740	16,640

Existing Resources in MTFS	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000
Customer Digital	1,750	1,200	1,200	1,200	5,350
Allocation from IT&D Fund	750	750	750	750	3,000
Desktop & Laptop replacement programme	1,000	1,000	1,000	250	3,250
	3,500	2,950	2,950	2,200	11,600

Net Additional Resource Requirement	2,670	1,290	540	540	5,040
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7.4 The net additional resources for 2023/24 of £2.670m will be met from borrowing with the financing costs being reflected in the revenue budget from 2024/25 when the financing costs will be incurred. The exact financing costs can only be determined once the asset life of each investment is determined following procurement (particularly for the replacement phone systems and Wi-Fi) but the relatively short asset life of IT&D investment is likely to mean that the cost would be between £0.300m to £0.500m per annum.

7.5 Future year resource requirements will be reflected in the Medium-Term Financial Strategy across both Capital and Revenue investment plans.

- 7.6 The investments will support more efficient council services and in particular the review, rationalisation and replacement of the telephony systems and mobile phones, which could deliver ongoing revenue savings for future years subject to the preferred replacement solution.

Finance officer consulted: James Hengeveld Date consulted: 01/03/2023.

8. Legal implications

- 8.1 The contracts necessary to deliver the DDaT Strategy will need to be procured in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2015. The DDaT Strategy was noted as part of the Business Framework at Policy & Resources Committee on the 9 February 2023 and it is proposed that it is now formally approved.

Name of lawyer consulted: Alice Rowland Date consulted: 3/3/23

9. Equalities implications

- 9.1 Any changes to service operations and/or service delivery resulting from a DDaT led initiative will be subject to Equalities Impact Assessment.
- 9.2 Where a procurement is required, prospective suppliers will be required to provide equalities statements and/or policies for review.

10. Sustainability implications

- 10.1 There are three activities with significant sustainability considerations: Telephony migration, laptop refresh and mobile phone refresh.
- 10.2 The anticipated move to cloud telephony will largely remove the need for the procurement of new physical handsets. This will not only have an immediate positive impact through reducing the need for the manufacture of devices, but it will also lead to carbon reductions through reduced power usage (estimated at 177.7 metric tonnes across the Orbis partnership).
- 10.3 Both the laptop and mobile phone refresh activities will generate a large amount of device wastage. This will be managed either through contract with a delivery partner to ensure the reuse of devices is part of a social value contract clause or by utilising existing 'tech take back' arrangements to securely repurpose devices for community benefit.

11. Other Implications

Social Value and procurement implications

- 11.1 Where procurement activity is required, an established framework (e.g., Crown Commercial Service (CCS) Network Services 3 Framework) will be accessed. This will allow for a weighting for sustainability and social value to be factored into the procurement decision.
- 11.2 Where possible, DDaT will utilise the existing technology stack including Microsoft 365. Social value commitments have already been assessed through the current Microsoft license agreement (currently in year 1 of a 3-year arrangement). Microsoft's social value commitments are categorised under the four themes, as defined by the UK Government: inclusive economic growth, climate action, wellbeing and diversity and inclusion. Further information on each theme can be found at Societal impact - Microsoft UK.

Procurement implications:

- 11.3 Where a procurement activity is required to support the DDaT programme a compliant procurement framework (e.g., Crown Commercial Service (CCS) Network Services 3 Framework or South East Grid) will be used to secure services.
- 11.4 Where it is expected that it will enhance our buying capability, a joint procurement with our Orbis partners will be considered.

Supporting Documentation

1. Appendices

1. BHCC Digital, Data and Technology Strategy
2. DDaT Investment