

Report of: Digital & Information Services – Head of Application Development, Training & Support

Report to: Director of Resources and Housing

Date: 12th March 2018

Subject: DIS Applications Portfolio Programme (APP) 2018/19

Capital Scheme Number(s): 32885/000/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of Main Issues

The Applications Portfolio Programme (APP) is being established to enable Digital & Information (D&I) Services (previously IT Services) to undertake a continuous annual programme of upgrade and refresh of Leeds City Council's extensive number of business applications and Access databases. As a general principle, D&I Services ensure that our business applications are supported and run as long as feasibly possible before being replaced or upgraded. However, there are major elements of investment and refresh required over the coming year as outlined in this report.

In particular: the Cyber Security & Compliance agenda is becoming increasingly important to all public and private sector organisations across the world, as the threat of serious damage to critical computer systems and the information they hold continues to rise rapidly. There are frequent and high profile cases of computer systems being compromised and sensitive information being stolen on a weekly basis and the organisations that perpetrate these crimes are becoming smarter. The Council also has significant obligations to comply with a range of security frameworks that are mandated across local government e.g. IG Toolkit and PSN (information governance and networks), PCI (card payments) and the new General Data Protection Regulations (GDPR) and this funding will help ensure technical compliance. The criteria for compliance are becoming more demanding and

consequently the number of non-compliant applications has increased significantly as does the scale and cost of the programme to replace them.

In addition, there is a need to upgrade some of these same applications so that they are compliant with the latest Windows 10 operating system, the roll out of which will start soon across the Leeds estate.

In addition to the council's 251 major applications, there are thousands of, in some cases business critical, Access databases that will not be supportable in future and so need to be removed or replaced.

Finally there is the wider applications refresh and consolidation plan for all 251 major applications and this scheme within the programme is to replace a number of ageing and non-compliant applications and defining and agreeing a rolling programme of replacement, consolidation and retirement of the portfolio.

Recommendations

The Director of Resources and Housing is requested to authorise that the Council incurs expenditure of £1,991k on the 2018/19 Application Portfolio Programme outlined in this report which includes the specialist resources (internal and external) to implement the programme.

1 Purpose of this Report

- 1.1 The purpose of this report is to seek approval on the funding required to conduct a range of major essential investment, refresh and upgrade initiatives to the Council's 251 applications and multiple thousands of Access Databases over the next 12 months.
- 1.2 This involves the engagement of specialist internal and external resources to undertake the necessary developments to systems or may indeed require systems to be replaced.

2 Background Information

- 2.1 There are approximately 251 major business applications in use across the Council. In addition there are thousands of Access Databases used to support services. The approach in LCC has always been that hardware and software will only be refreshed when we have extracted all the value from it and before supportability, poor performance and the potential consequential failure of critical business services becomes an issue. The proposed programme of work outlined in this report for 2018/19 is part of an ongoing long term programme of application maintenance and refresh, prioritised to ensure that the failure of business critical services is minimised.
- 2.2 It is also the case that this refresh brings additional benefits because software improves significantly over time and we therefore get a higher return on our investment in terms of functionality, etc.

3 Main Issues

- 3.1 From an external services (resources) and internal resources perspective, approximately £1,991k is required to deliver a range of important initiatives as defined and agreed in the 2018/19 APP programme. This amount has already been factored into the Council's approved Capital Programme for 2018/19.
- 3.2 Cyber Security & Compliance - The risk of cyber threat is increasingly an issue across all organisations as the risk of serious damage to critical computer systems and the associated information they host continues to rise. There are frequent and high profile cases of computer systems being compromised and sensitive information being stolen on a weekly basis and the organisations that commit these crimes are becoming smarter. The Council also has significant obligations to comply with a range of security frameworks mandated across local government e.g. PSN (networks), PCI (credit card payments) and the new DPA (Data Protection Act) etc. The criteria for compliance with these frameworks are becoming more demanding and consequently the investment required in making applications compliant is significant.
- 3.3 Windows 10 - There is a requirement to upgrade to Windows 10. Microsoft withdrew Windows 7 mainstream support in January 2015. Security patches will be released through to January 2020. Under the ESP, the scheme will upgrade the entire LCC PC, laptop and tablet estate to Windows 10. Running in parallel to this is the need to ensure that our application estate, some of which is old will continue to run on Windows 10. A significant amount of testing and in some cases remediation work will be required to ensure applications can still operate.
- 3.4 Access & VBA - There are over 64,000 Access Databases in use across the Council of which 500 are used on a regular basis. Whilst these are not classified as applications and therefore are not in the Portfolio, they contain business critical data. Many have been in use for so long that the people who originally developed them no longer work for the Council. In addition, there is a significant likelihood that many of these databases will no longer work under Windows 10.

- 3.5 In terms of VBA (Visual Basic for Applications), this is a computer programming language which allows the creation of user-defined functions and the automation of specific computer processes and calculations. It is built into most Microsoft Office applications and other Microsoft applications, including Microsoft MapPoint and Microsoft Visio. It is also implemented, at least partially, in applications published by companies other than Microsoft, including ArcGIS and AutoCAD. In the Council VBA is heavily used with Excel and Word in particular to automate calculations and activities, particularly those that are run frequently e.g. reports. VBA is no longer supported or updated by Microsoft and so an alternative needs to be identified and implemented to allow business applications to continue to provide the required functionality and levels of security. In addition, it is not clear whether VBA code will continue to work under the Windows 10 operating system.
- 3.6 As part of the Council's corporate reporting tool set, Oracle Discoverer is widely used across the Council to enhance reporting capabilities from line of business systems. However, this product is now end of life and sitting on non-complaint infrastructure. A replacement solution needs to be defined, sourced and implemented.
- 3.7 Finally, the Council needs to understand when each of its applications is coming to either end of life / unsupported or out of contract so that appropriately compliant and, wherever possible, more cost effective solutions can be put in place. There needs to be a robust plan for addressing how the Council will deal with its application estate and the plan needs to cover the retirement, consolidation or replacement of the 251 business applications on the Portfolio. The opportunities to rationalise the number of similar applications needs to be actively pursued in order to reduce costs to the Council around support and maintenance and licensing.
- 3.8 It is expected that similar levels of investment will be required in foreseeable future years but each year will be considered based on prevailing risks and priorities.

4 Corporate Considerations

- 4.1 **Consultation and Engagement** - the APP programme has been consulted on widely. The Deputy Leader of the Council and Executive Member was briefed on the proposed 2018/19 programme in January 2018 and the Director of Resources and Housing was briefed in February 2018.
- 4.2 **Equality and Diversity / Cohesion and Integration** – Where there is a need to implement replacement / new solutions that directly impact on end users the programme will take into consideration the requirements of disabled staff in particular.
- 4.3 **Council Policies and City Priorities** – Modern and 'fit for purpose' business applications are fundamental in the business effectiveness and efficiency of the 11,000 staff in the organisation who use these applications and databases as an essential and fundamental part of their daily work.

4.4 Resources and Value for Money

4.4.1 Full Scheme Estimate

The anticipated cost for the Applications Portfolio Programme for 2018/19 is £1,991k.

4.4.2 Capital Funding and Cash Flow

£1,991K is required from the capital scheme (32885/000/000) for the 2018/19 work programme. Appendix 1 provides a more detailed breakdown of planned spend against each workstream.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	inwards £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	inwards £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
INTERNAL RESOURCES	1726.8		1726.8				
OTHER COSTS (7)	0.0		264.6				
TOTALS	1726.8	0.0	1991.4	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	inwards £000's
Departmental USB	0.0						
Corporate USB	1991.4		1991.4				
Any Other Income (Specify)	0.0						
Total Funding	5800.0	0.0	1991.4	0.0	0.0	0.0	0.0
Balance / Shortfall =	4073.2	0.0	0.0	0.0	0.0	0.0	0.0

4.4.3 Revenue

Based on current knowledge it is not anticipated that there will be additional revenue implications for 2018/19.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Any software and services will be purchased through the Council's established preferred suppliers under existing contract arrangements or via the formal OJEU procurement where required. The technologies concerned are consistent with our agreed technical strategies.

4.5.2 This decision is eligible for 'call in' and has been posted on the List of Forthcoming Decisions.

4.6 Risk Management

If this work is not undertaken, there is a high risk of additional costs and business failure as we operate on old and in some cases unsupported and / or non-compliant applications.

5 Recommendations

5.1 The Director of Resources and Housing is requested to authorise that the Council incurs expenditure of £1,991k on the 2018/19 Application Portfolio Programme outlined in this report which includes the specialist resources (internal and external) to implement the programme.

6 Background documents

6.1 None.