

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

**Report to:** Director of Resources and Housing

**Date:** 26<sup>th</sup> March 2019

**Subject:** DIS Digital Development Scheme 2019/20

**Capital Scheme Number(s):** 33068/000/000

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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of Main Issues

The Digital Development Scheme has been established to address key areas:

- Undertake a continuous annual programme of upgrade and refresh of Leeds City Council's extensive number of business applications and Access databases to ensure they remain up to date and compliant.
- Provision of funds to support services areas' ambitions to become more digitally enabled

Key challenges for the Council include the Cyber Security & Compliance agenda which is significant 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 continue to be frequent and high profile cases of computer systems being compromised and sensitive information being stolen 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. Information Governance Toolkit and PSN (information governance and networks), PCI (card payments) and the 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 to the council's 500+ systems, there are thousands of, in some cases business critical, Access databases that will not be supportable or compliant by the end of 2019 and so need to be deleted or replaced.

There is also the wider applications refresh and consolidation plan for all major applications and this scheme within the programme is to replace a number of ageing and non-compliant applications and define and agree a rolling programme of replacement, consolidation and retirement of the portfolio. Finally an element of the scheme is about funding projects to digitally enable service provision. This includes both automation of business processes and provisioning of digital capability for citizen access to services.

## **Recommendations**

The Director of Resources and Housing is requested to authorise that the Council incurs expenditure of £5,000k on the 2019/20 on the Digital Development Scheme 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 estate of applications and 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 500+ business systems and associated modules in use across the Council. In addition there are tens of 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 2019/20 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 and that council systems are compliant.
- 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.
- 2.3 Within the scheme £1,000k has been set aside to support service areas in their drive to implement more digital capabilities and to develop and implement corporate digital offerings that can be utilised by services across the council e.g. the implementation of the corporate mobile form offering.

## **3 Main Issues**

- 3.1 From an external services (resources) and internal resources perspective, approximately £5,000k 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 2019/20.
- 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 (security of both on premise and cloud hosted systems), PCI (credit card payments) and the new GDPR (General Data Protection Regulations) 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 As part of PCI compliance the council is replacing Paris payments as the contract end date was November 2019, with no further options to extend. The current software is hosted in our own data centres, but we have a desire to reduce the burden of our PCI compliance, and thus are moving to a cloud-hosted solution. The council is also implementing a DTMF (Dual Tone – Multi Frequency) Suppression solution to prevent card holder data travelling over our voice network when taking telephone payments, thus making it more secure.
- 3.4 Access & VBA - There are over 64,000 Access Databases in use across the Council of which in the region of 300 are used on a regular basis and are not compliant. Many contain business

critical data and have been in use for so long that the people who originally developed them no longer work for the Council. In order to ensure compliance requirements are met these databases either need to be deleted and those currently in use need an alternative technical solution provisioning.

- 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 has been defined and is in the process of being implemented across the council.
- 3.7 Legacy Web Applications – the council has a number of websites and on-line forms which are based on old technology and consequently have significant security and compliance issues. These elements need to be transitioned onto new technology so that the council can provision compliant websites and on-line forms
- 3.8 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 other business applications on the Portfolio. The opportunities to rationalise the number of similar applications will be actively pursued in order to reduce costs to the Council around support and maintenance and licensing.
- 3.9 It is expected that similar levels of investment will be required in foreseeable future years but.

## 4 Corporate Considerations

- 4.1 **Consultation and Engagement** - The scheme has been consulted on. The Deputy Leader of the Council and Executive Member were briefed on the proposed 2018/19 programme in January 2018 and the Director of Resources and Housing was briefed in February 2018. The programme scope remains predominantly the same into 2019/20.
- 4.2 **Equality and Diversity / Cohesion and Integration** – a scheme level EDCI has been completed with no impact identified. Where there is a need to implement replacement / new solutions that directly impact on end users the programme will undertake further EDCIs to ensure accessibility for all users.
- 4.3 **Council Policies and City Priorities** – Modern and 'fit for purpose' and compliant 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 Digital Development Scheme for 2019/20 is £5,000k.

#### 4.4.2 Capital Funding and Cash Flow

£5,000K is required from the capital scheme (33068/000/000) for the 2019/20 work programme. Appendix 1 provides a more detailed breakdown of planned spend.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	onwards £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						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	onwards £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
INTERNAL RESOURCES	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	onwards £000's
Departmental USB	0.0						
Corporate USB	4996.0		5000.0				
Any Other Income ( Specify)	0.0						
<b>Total Funding</b>	<b>4996.0</b>	<b>0.0</b>	<b>5000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance / Shortfall =</b>	<b>4996.0</b>	<b>0.0</b>	<b>5000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### 4.4.3 Revenue

Based on current knowledge it is not anticipated that there will be additional revenue implications for 2019/20.

#### 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.

In terms of PCI our failure to meet the timescales in our remediation plan will mean that we will no longer be able to take card payments. On an annual basis, the Council takes over £36m in card payments via IVR and the internet. There will also be the risk of financial penalties levied on us in the event that we cannot deliver GDPR and PSN requirements. However, it is not possible to quantify what these penalties may be.

## **5 Recommendations**

- 5.1 The Director of Resources and Housing is requested to authorise that the Council incurs expenditure of £5,000k on the 2019/20 on the Digital Development Scheme outlined in this report which includes the specialist resources (internal and external) to implement the programme.

## **6 Background documents**

- 6.1 None.