

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

Report to: Director of Resources and Housing

Date: 9th March 2020

Subject: DIS Digital Development Scheme 2020/21

| | | |
|--|---|--|
| 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 the following 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 continues 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 over 250 business critical, Access databases that will not be supportable or compliant by the end of 2021 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 2020/21 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 and also includes complete system replacements.

2 Background Information

- 2.1 There are approximately 500+ business systems and associated modules in use across the Council. In addition there are numerous 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 2020/21 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, £5,000k is required to deliver a range of important initiatives as defined and agreed in the 2020/21 Applications Portfolio Programme (APP). This amount has already been factored into the Council's approved Capital Programme for 2020/21.
- 3.2 Cyber Security & Compliance - The potential of a 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 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 complaint 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 and compliant.
- 3.4 Access & VBA - There are over 64,000 Access Databases on the Council's network of which in the region of 250 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 uplifting initially to a supported version of Access and then an alternative technical solution provisioning so Access can be removed altogether.

- 3.5 System Replacements - There are a number of system replacements required to meet either GDPR and / or PSN including – XN Leisure, Children’s Centre Management System, Funding For Inclusion and Contact 360.
- 3.6 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.
- 3.7 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 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.
- 3.8 In relation to the Digital Efficiencies element of the scheme, there are a number of projects in flight or about to commence, the details of which are shown at Appendix A. Work includes the provision of a corporate mobile platform solution that will allow field workers to be able to operate paperless outside of the office and complete electronic forms via a variety of mobile devices.
- 3.9 It is expected that similar levels of investment will be required in foreseeable future years.

4 Corporate Considerations

- 4.1 **Consultation and Engagement** - The scheme has been consulted on. The Executive Member and the Director of Resources and Housing have been briefed on the proposed 2020/21 programme.
- 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 2020/21 is £5,000k.

4.4.2 Capital Funding and Cash Flow

£5,000K is required from the capital scheme (33068/000/000) for the 2020/21 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 | | | | | | |
| 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 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 | | | | | | |
| TOTALS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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 | 5000.0 | | 5000.0 | | | | |
| Any Other Income (Specify) | 0.0 | | | | | | |
| Total Funding | 5000.0 | 0.0 | 5000.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balance / Shortfall = | 5000.0 | 0.0 | 5000.0 | 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 2020/21.

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 2020/21 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.