ONESOURCE JOINT COMMITTEE
3 August 2018

Subject heading:	**ICT Service Budget Update**
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Financial summary:	

SUMMARY

This report presents an overview of ICT service budgets and spend over last year. It also provides an overview of ICT service journey over past 12 – 18 months and the delivery on the infrastructure roadmap which has fundamentally improved the council's infrastructures to a more stable and sustainable environment.

The report provides information on the significant improvements to the security compliance and implementation of procedures conferring compliance to the new GDPR.

The report further covers progress on the ICT/Digital strategy for OneSource/Newham and Havering and the technology roadmap for next 3 years.

RECOMMENDATIONS

The Joint Committee is recommended:

1. to note the significant ICT improvements and financial information on the budgets provided in the report.

Background

In January 2017, ICT took a business case to both Newham and Havering SLT to request urgent investment in ICT to avoid risks. Subsequently, in October 2017, ICT service submitted a report to Havering Cabinet for growth bid to invest in ICT as urgent investment was required for sustaining support for key ICT systems. The report also included a request for urgent investment to be made in security systems and improvements to security infrastructure including compliance with GDPR, PCI DSS and PSN.

This request for revenue resources also included request for resources to catch up with infrastructure improvement.

In September 2017, a similar report was presented to Newham Mayoral Proceedings to request Capital investment required for the infrastructure improvement projects. In Havering there is a current recurring capital that follows a separate internal governance process for allocation of that capital funding.

In Newham, the request was presented to and agreed by the section 151 officer and members for revenue growth.

The table below shows summary of investment

	Havering	Newham	Total
Capital	£1m*	£1m**	£2m
Shared Revenue	£0.8m	£581k	£1.381m

*The Havering Capital is recurring investment
**The Newham Capital approval is a one off approval of £3m

Update on progress

The report was revenue was approved by both the councils in October 2017. The resources required for infrastructure projects have since been deployed although resources were only deployed after October approval which meant most of the infrastructure projects were initiated in the quarter four of the financial year.

The key focus over last 12/18 months for improvements has been on security compliance, introduction of technology architecture governance, project governance, GDPR compliance and technology roadmap.

The establishment of IT Boards is also a key success in providing transparency and governance for all IT projects.

Digital/ICT Strategy for OneSource, Havering and Newham

There has been significant change in direction of travel for OneSource in the past 12 months and the focus is now on supporting and deepening the focus on the current stakeholders in the Joint Committee.

For both Newham and Havering Councils the focus is also changing with the new administration and new set of corporate priorities are being developed.

The strategy for OneSource ICT service is to focus on technology roadmap that has been developed and implement infrastructure projects that are critical to support and improve the council's services.

The strategic vision for the delivery of ICT services within Newham is **'To deliver innovative and resilient Digital ICT Services responsive to the needs of our customers'**. In order to deliver this vision, all services within the Councils and the ICT Service will sign up to the following guiding principles and work collaboratively to deliver them:

Principle 1	:	Secure
Principle 2	:	Customer focussed
Principle 3	:	Supporting a fully digital Councils
Principle 4	:	Flexible services, available at the point of use
Principle 5	:	Value for money
Principle 6	:	Fit for purpose business systems
Principle 7	:	Collaboration
Principle 8	:	More flexible and agile delivery
Principle 9	:	Data driven
Principle 10	:	Cloud First

The focus is to improve infrastructure to ensure we have a stable and secure framework for the councils to deliver its digital offer to its residents but also to support improved service delivery of the council services.

The key priorities are:

Digital Strategy

The councils are in a process of developing digital/IT strategy based on the new corporate objectives of the new administration. This is currently in draft but the IT boards have agreed outline strategy which is defined in appendix 1.

Business Systems Improvement Programme:

Improve business systems use through more consolidated systems where appropriate such as replacement of CRM and oneOracle The implementation of key new systems such as implementation of Social Care and Housing Systems.

Infrastructure Improvement Programme:

Improve key technology platforms such as upgrade of the Corporate and Contact Centre Telephony.

Replace and improve key aspects of infrastructure such as networking and remote access.

Introduction of the new collaboration tools which are much needed for Smarter Working and Mobile/Flexible working through implementation of Office 365.
Improve technology and wireless access within the council's buildings and meeting rooms.

Digital projects

Through various initiatives which are currently being initiated locally and regionally, there is need to improve connectivity in the boroughs for residents, staff and visitors. This can attract the small or large business to the areas. The connectivity comes in various forms such improved broadband, wireless access and opportunity to pilot the new 5G technology.

There are key projects which are focusing on improving care in community through better use of modern technology which is now available for predictive analysis. These initiatives will help vulnerable or elderly residents to stay in their homes for longer while improving quality of their care.

The general improvements to the digital offer to customers will focus on improving access to online and app based systems for our residents.

The investment in robotics and automation will generally improve process efficiency and deliver savings. This will invariably be the invest to save projects where implementing robotics in high volume transactional services will deliver significant revenue savings through automation. The key areas ideal for such investment are revs & bens and Financial Services where high volume repetitive transactions historically require high number of resources to manage simple transactions for revenue resources.

Summary of progress to date

Security

The mandate was to look at our current compliance and security set-up and address any vulnerabilities and risks to the councils.

Risks and Vulnerabilities

The following were identified as venerability and risks in the Cabinet reports for both Newham and Havering Councils.

1. The banks Payment Card Industry Data Security Standard (PCI-DSS) compliance.

2. The change in the data protection law on 25th May 2018.

3. Enhancements to ICT security to minimise and prevent internal and external threats to the council's network, systems, applications and data.

If the council did not address the vulnerabilities and risks mentioned above it could be fined for no-compliance, unable to process card data or share information with health or other partners.

Vulnerabilities and Risks	Implementation
General Data Protection Regulation The data protection law changed on 25th May 2018 and imposed new legal requirements on organisations that process and control personal data. If not implemented correctly, the councils would be fined for non-compliance with the law.	**Data Protection (GDPR)** • A GDPR Project Manager was engaged to help with the implementation of GDPR in Newham and Havering. • Awareness was raised with over 2,000 employees at workshops. • Over 7,000 staff trained using the online training application. • Procurement of a data mapping application to capture information about data flows in the organisations. This is a GDPR requirement. Over 700 data follows mapped and is ongoing. • Raised awareness with suppliers and providers. • Updated policies and procedures. • Implemented new online data breach reporting form to maintain a register, which is a requirement. Successfully went live with GDPR on 25th May 2018 and now working with services to secure operational compliance when processing personal data.
Card Payments Security In order to process card payments organisations must be compliant with the security standards set out by the banks. Importantly, no card data should be stored on our systems. If this risk was not addressed the banks could have fined the council and stop the council from processing debit and credit card payments.	**Payment Card Industry Data Security Standard (PCI-DSS)** • A PCI-DSS consultancy firm was used over a period of four months to prepare a gap analysis, capture data, audit chip and pin sites, identify risks and controls, prepare documentation and help make the submission to the banks. • The project ended in April 2018 and Newham and Havering are complaint with the banks security requirements. • The controls and documentation must be maintained because the councils must make an annual sub-mission to the banks.
ICT Security We were unable to patch a few of our systems, there was a need to improve our perimeter defence, prevent ransomware and filter spam	**ICT Security Components** • An ICT security solution was procured that integrated with our existing defences and controls and included secure mail for all employees and protection of servers and email. • We have implemented protection for our servers

and provide secure mail.	and hosted email security to prevent ransomware attacks. • The implementation of secure mail for all staff is nearing completion (July) and the remaining components (e.g. OfficeScan and EndPoint encryption) will go live before the end of August.

ICT Systems Support and Infrastructure Resources Spend

The existing ICT budgets were not sufficient to meet the expenditure required to maintain and support for the CRM and DWH which are critical systems for both organisations.

<u>CRM Achievements</u>

Organisation	Delivered
LBN/LBH	• Integration with the new Achieve Forms migration project & cont. support. • Portal account management tool to assists business to update/unlock password, send activation email etc. • Office 2016 compatibility review. • Rebuilding of the core parts of the system. • Generic Training User Profiles to enable greater self-sufficiency. • SQL DB upgrade. • SharePoint Doc Store patching/upgrade • Cross - borough Service Reviews
LBH	• Portal account management tool to assists business to update/unlock password, send activation email etc. • Office 2016 compatibility review.

LBN	• Parking permits:
	    ◦ free visitors all zones
	    ◦ Industrial zones
	    ◦ Carers parking permits
	• Webchat developed & made available for portal customers across multiple services.
	• ELIF Cancel Functionality (LBN) allows business to cancel enquiry which also cancels all the related records e.g. steps, outcomes, investigations etc.
	• LBN: Housing Options (Homelessness) – Rollout for 20 users

CRM Projects List

Organisation	Development	Organisations	Development
LBN	Moneyworks Data		
LBN	Tenancy Audit Data	LBN/LBH	Extension of Nomad Match Rules
LBN/LBH	NEET Data	LBN/LBH	Automated/Bulk Matching
LBH	Council Tax Financial Data	LBN/LBH	UnMerging
LBN/LBH	Vulnerability Index	LBN/LBH	Screen/Operation Enhancements
LBN/LBH	Person Core History View	LBN/LBH	Business Dimension
LBN/LBH	Business Dimension	LBN/LBH	Additional Nomad Feeds
LBN	Virtual Parking Interface	LBN/LBH	Extension of Data Dictionary
LBN/LBH	Property Tenure/Licencing Project	LBN/LBH	Technical and User Documentation
LBN/LBH	Single View of Customer Debt	LBN/LBH	Migration to SqlServer 2016
LBN	Azeus Replacement Feed	LBN/LBH	Azure Proof of Concept
LBH	Open Housing Feed	LBN/LBH	Governance / GDPR Tasks
LBN	SubLetting Identification	LBN	Cube Development / Power BI
LBN/LBH	Freedom Pass	LBN	NNDR Reconciliation
LBN/LBH	Single Person Discount	LBN/LBH	Freedom Passes
LBN	Missing Business Rates Identification	LBN/LBH	Blue Badge Data
LBN/LBH	Tracing Service	LBN/LBH	School Attainment Data
LBN	Troubled Families Extract	LBN/LBH	Deaths Data
LBN	Best Start in Life Extract	LBN	Gangs Data
LBN	Child Protection Predictive Analysis	LBN	Social Isolation Extracts
LBN	Homelessness Extracts	LBN	Population Trend Analysis
LBN	Benefits Extracts	LBN	Data Quality Support
LBN	Homeless Initial Probability Interface	LBN	High Rise Tower Analysis Extracts
LBN	Gangs Extracts	LBN	Housing Repairs Costs Analysis

Key ICT Infrastructure Projects

The Infrastructure Modernisation Programme is a complex series of projects which will bring significant improvements to all customers of oneSource ICT. Due to historical underinvestment there is a significant volume of pre-work and dependencies which need to be completed before we can implement the technological improvements.

oneSource ICT provides approximately 500 applications on behalf of its customers and it is essential that they are tested or upgraded to ensure they are compatible with the planned technology. As such a detailed analysis of these systems has taken place. Testing and upgrade plans have been put in place to ensure our current estate can support these technologies going forward. Additionally, the relationships between individual and group email inboxes and telephony groups need to be mapped.

Please see appendix 2 for the list of projects. A full list of ICT projects can be found in appendix 3.

Infrastructure Roadmap

There are a number of challenges that we currently face with our infrastructure. Whilst a number of urgent projects are currently underway, there is a need to define the technology roadmap for the next 3-5 years.

The appendix 4 defines the Technology Roadmap in detail.

In addition, IT have also developed business systems register and business systems roadmap which is currently being completed for both the boroughs.

Financials

Summary Shared Revenue Spend

Area	Spend
Security	£468k
CRM	£420k
DWH	£360k
Infrastructure Projects	£193k
Total	**£1382k**

Summary Capital Spend

Area	LBN Spend	LBH Spend
Library PC refresh	£352k	
Mobile Working for Children's Services	£233k	
Express route		£46k
Power BI		£27k
Infrastructure Migration		£115k
Total	**£585k**	**£188k**

Legal implications and risks:

The recommendations in this report are in line with the Constitutions of both Councils and the delegations made to Joint Committee for oneSource Shared Services. Substantive decisions on spend including any key activities will be the subject of separate governance arrangements in line with the procedures set in the constitutions of each council.

Financial Implications and risks:

There are no financial implications associated with recommendation 1 which is for information only.

Whilst there are no financial implications associated with approval of the oneSource ICT strategy (recommendation 2), it's implementation will have significant financial implications. Some of the projects which oneSource ICT will deliver will be contained within existing revenue budgets for the shared service, whereas others will be funded from existing revenue or capital budgets managed on behalf of each of the partner Councils. The financial implications of each project will need to be separately assessed prior to implementation to ensure that costs can be contained within existing budgets and/or alternative sources of funding approved. This assessment will also need to ensure that the financial implications are accurately reflected in each Councils medium term financial strategy. For example the move to a Cloud First approach will require a change from the traditional use of capital resources to fund the purchase of IT systems and hardware to ongoing annual revenue costs to providers hosting the Cloud based systems. Set up of these cloud based systems also requires one off revenue funding rather than capital."

HR Implications and risks:

There appear to be no HR implications or risks arising from this update report. However, any recruitment activity required to deliver the ICT/Digital strategy will be managed in accordance with the relevant Councils recruitment and selection policies and procedures and supported by the oneSource HR Service if necessary.

Background Papers

None