

## Notice of KEY Executive Decision

<b>Subject Heading:</b>	<b>Security Operations Centre and Cyber Analyst Contract Award</b>
<b>Decision Maker:</b>	<b>Kathy Freeman – Strategic Director Resources</b>
<b>Cabinet Member:</b>	<b>Councillor Paul Middleton –</b> Cabinet Member for Corporate, Culture and Leisure Services
<b>ELT Lead:</b>	<b>Kathy Freeman – Strategic Director Resources</b>
<b>Report Author and contact details:</b>	<b>Lauren White, Assistant Director Information Assurance and IT Contracts</b> <a href="mailto:Lauren.white@onesource.co.uk">Lauren.white@onesource.co.uk</a>
<b>Policy context:</b>	<b>Havering – Our Corporate Plan for 2024-2027</b> <ul style="list-style-type: none"> <li>• “The Havering you want to be part of”</li> <li>• We manage our resources well <ul style="list-style-type: none"> <li>◦ Manage our money well to set a balanced budget and get maximum value from all of our activity</li> <li>◦ Manage our systems and data well and be a data driven organisation</li> </ul> </li> </ul>
<b>Financial summary:</b>	This contract commits the Council to £502,000 over 3 years and a total

### Key Executive Decision

	contract cost of £695,000 for the full term (including optional extension). This will be met by a mixture of existing oneSource IT allocated budget and future sovereign IT budgets.
<b>Reason decision is Key</b>	<b>(a) Expenditure or saving (including anticipated income) of £500,000 or more</b>
<b>Date notice given of intended decision:</b>	9 <sup>th</sup> April 2025
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Overview & Scrutiny Committee
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

### **The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council - **X**

## **Part A – Report seeking decision**

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

This report seeks authority to directly award a contract through the Crown Commercial Services (CCS) GCloud 14 Lot 3 framework for the provision of the Council's Security Operations Centre (SOC) and Cyber Analyst block hours to Stripe OLT.

The initial term of the contract will be 24 months, with the option to extend further by another 2 x 12 months, in line with the GCloud 14 framework. The total maximum cost of the contract over four years will be £695,000.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

#### **Part 3 of the Council's Constitution**

#### **Scheme 3.3.3 - Powers common to all Strategic Directors**

##### **1.General**

1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate

##### **4. Contracts**

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3.

### **STATEMENT OF THE REASONS FOR THE DECISION**

Cyber security is not a fixed state, aspired to and then reached, but a constant and continuous effort to identify and fix gaps, to implement and monitor appropriate controls to ensure the continued confidentiality, integrity and availability (CIA) of the data that the Council is responsible for as data controller.

This service provides advice and guidance to both technical and business colleagues, identifies gaps in the cyber posture, as well as activities to remedy them, and supports the Borough in the continuous improvement efforts to strengthen and deepen their cyber security posture.

The Council has utilised Stripe OLT for its current SOC and Cyber Analyst provision as part of the onsource IT shared service since 2022, following a successful pilot and decision award. Stripe OLT have demonstrated true partnership style working for the

## **Key Executive Decision**

Borough. Continuing the service with them poses no risk in terms of service quality or continuity.

It has been agreed that in the run-up to the end of the oneSource IT shared service, complex change should not be introduced as this poses risks, both to service delivery within this critical area and to the wider service due to the resource impact of running a full tender and changing solution supplier.

This award ensures that oneSource IT resources can be focused on the priority work to safely split and return the current IT services to the borough as part of the agreed end of the onesource IT shared service.

The CCS GCloud14 framework offer local authorities a variety of lots to procure services from, either by further competition or direct award. The framework offers a selection of pre-qualified suppliers where the buyer selects suppliers and compliantly sets out terms and prices for a period in advance, in accordance with the Procurement Act 2023.

The CCS G Cloud 14 Lot3 framework provides a Procurement Act 2023 compliant route for direct award. Following the framework's guidance, comparative suppliers' costs were compared against the incumbent. Direct award is the best procurement route for this contract as it provides best value for money for the services provided to the Council.

The proposed supplier is able to supply the required goods/services within the customer's timescales and ensures there will also be continuity of existing goods/services from the awarded supplier.

Changing supplier introduces further risk as on boarding processes and handover would take up to 3 months. As the Council is undertaking serious technology transformation activities, to ensure this high risk area of cyber security is maintained, it is best done with an organisation with clear knowledge and understanding of our technical infrastructure, planned programme works and already embedded in working practices.

## **OTHER OPTIONS CONSIDERED AND REJECTED**

Do Nothing – the option to do nothing and to no longer have a SOC and Cyber Analyst hours' contract was rejected. The services under this contract provide the Council with critical capability and functionality in the defence of cyber-attacks and the ongoing business functions required to ensure secure systems and also assist with required compliance under UK GDPR and the Data Protection Act. Although a saving would be

### **Key Executive Decision**

made from the contract, the risks and potential costs to the Council are deemed too significant and not value for money against this critical assurance function.

Create in-house team - The Cyber Security resource market is competitive, and resource is both costly and difficult to engage. In order to provide the required capacity and skillset to ensure Council operations are legal, compliant and secure, a properly resourced team would cost to be in excess of £450,000 per annum.

### **PRE-DECISION CONSULTATION**

Not applicable

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Lauren White

Designation: Assistant Director Information Assurance & IT Contracts

Signature:

Date:

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's Section 1 power are engaged by this decision

This report seeks authorisation to make a direct award to Stripe OLT via the G Cloud 14 Framework, Lot 3. The proposed value of this Contract is £695,000 for a period of 3 years, with an option to extend for an additional 12 months. This is above the threshold for services in the Public Contracts Regulations 2015 (PCR). Therefore, it is subject to the full PCR regime. A call off from an active, fit for purpose framework under Regulation 33 is a permissible route to procurement.

For the reasons set out above, the Council may award the contract.

### **FINANCIAL IMPLICATIONS AND RISKS**

This report is seeking authority to directly award a contract via the Crown Commercial Services GCloud 14 Lot 3 framework for the provision of the Council's Security Operations Centre (SOC) and Cyber Analyst block hours to Stripe OLT. The initial term of the contract will be 24 months, with the option to extend further by another 2 x 12 months. The total maximum cost of the contract over four years will be £695,000.

The current contract expired in March so entering into this contract will regularise the Council's contractual position with regard to cyber security services. The new contract will be a 'sovereign' Havering-only contract. However, year 1 of the contract represents 48% of the total of Havering and Newham's combined cost as this covers the period over which the boroughs transition from a shared tenancy to sovereign states. This is reflected in the residual economies of scale experienced in year 1 of the pricing and accounts for the increase from year 2 onwards:

<b>Havering Stripe Contract</b>	<b>Total</b>
<b>Year 1 (cost shared 48%)</b>	£146,782
<b>Year 2</b>	£160,800

### **Key Executive Decision**

<b>Year 3</b>	£193,800
<b>Year 4</b>	£193,800
<b>Total</b>	£695,182

Growth provisioned as part of budgeting setting processes will be sufficient to accommodate the increase in cost from 2026/27 onwards.

Not having such a contract in place would expose the council to reputational, technological and financial risk. Using a partner to provide cyber security services has been deemed more economical than an in-house provision. A review of the framework found Stripe OLT's pricing to be competitive. Potentially changing providers was not deemed appropriate at this time due to the large amount of change already underway in connection with decoupling staff and technology from the current oneSource shared arrangement.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

This decision does not have any HR implications or risks.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

### **Key Executive Decision**

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

This contract does not have any impact on individuals with protected characteristics and is a continuation of the existing hybrid IT sourcing model.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

The scope of this decision does not have any immediate Health and Wellbeing implications or risks.

However, it is noted that when staff themselves are involved in cyber security incidents, this can be a stressful time.

Having protections added from such a contract help to mitigate the number and severity of cyber incidents the Council and its staff could face.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The proposed supplier has implemented a comprehensive sustainability policy that underscores the organization's dedication to reducing its environmental impact. This policy is centred around conscientious practices in waste management, recycling, and travel, demonstrating our commitment to mitigating adverse environmental effects.



### **Key Executive Decision**

Recently, they initiated a program in collaboration with a local entity, Carbon Managers, aimed at tree planting to offset their emissions.

### **BACKGROUND PAPERS**

### **APPENDICES**

## Key Executive Decision

### **Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

#### **Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

#### **Details of decision maker**

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

#### **Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

#### **For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_