Strategy and Resources Committee
21 September 2023

IT STRATEGY

Head of Service:	Chris Anderson, Head of IT
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Information Technology Strategy & Roadmap 2023-2027
	Appendix 2 – IT Programme of Works (Capital) 2023-2027

Summary

This report provides details of the Epsom & Ewell Borough Council Information Technology Strategy for 2023 and beyond. The IT Strategy defines the principles, governance, standards and methodology by which the council will source, procure, implement, maintain and deliver IT services both internally (to staff and partners) and externally (to residents). This report details also the accompanying IT Roadmap for 2023-2027.

Delivery of the IT Roadmap will provide residents with an enhanced user experience of the Council's website. Officers and members will benefit from up-to-date systems and improved ways of working which facilitate collaboration and support hybrid working.

To support the developing Town Hall/70 East Street reviews, the roadmap defines the path to move the council to a state where it requires only minimal on-premise IT infrastructure, with services delivered from hosted data centres and the Cloud.

The IT Strategy and IT Roadmap will be subject to annual review to ensure they continue to align with the council's business requirements, reflect changing technology opportunities and threats and detail the technical solutions required to meet them.

Recommendation (s)

The Committee is asked to:

(1) **Agree the IT Strategy, and the associated plan to invest in a programme of works as set out in the IT Roadmap.**

(2) **To note that the works to include; a refresh of end user devices for officers, a programme of works to update infrastructure and move to a hosted data centre and transformational projects to improve and increase online services to residents.**

> **(3)   Approve the indicative funding implications for delivering the defined IT Roadmap in 2023-2027, as set out in section 5 of this report, which will feed into the Medium-Term Financial Strategy to be approved at Full Council in February 2024.**
>
> **(4)   Agree that a further report on the IT Roadmap will be submitted to committee in September 2024. This will provide an update on the implementation of the roadmap and details of funding actuals to date and forecast.**

1   Reason for Recommendation

1.1   Strategy and Resources Committee approved the draft IT Strategy and current ICT Programme of Works capital funding for 2023-2024 on 28th March 2023. Subsequently, there has been significant work to add detail to the IT Roadmap required to deliver the strategy.

1.2   The IT Strategy and accompanying IT Roadmap are the first steps in defining the path from our current "as is" to our proposed "future state".

1.3   Key aspects of the IT Strategy include deployment of corporate laptops, the discontinuation of Citrix and increased use of hosted and Cloud services. The latter will result in a significant shift from capital funding to revenue.

1.4   Whilst the core projects within the IT Roadmap are broadly defined, they require further work before exact costs will be known. Further work will be required also to review and agree future treatment plans for many of the minor (sub £5,000/year) department applications.

1.5   The IT Roadmap supports the mitigation and remediation actions defined in the IT risk register, in particular the removal of legacy applications and infrastructure. It supports also the Town Hall/70 East Street reviews and the council's carbon reduction target.

2   Background

2.1   In March 2023 a draft IT strategy and roadmap prepared by the then new Head of Information Technology was agreed by Strategy & Resources Committee.

2.2   The strategy report contained high-level vision and governance and sought additional capital funding for a number of projects as well as recommending the purchase and rollout of corporate supplied laptops as a replacement for the existing Citrix and thin-client device solution.

2.3   This updated IT strategy and roadmap builds on the previous report, sets out in greater clarity our proposed "future state" and the programme of work and funding required to achieve this.

3   IT Strategy 2023-2027

3.1   The IT strategy & roadmap (see appendix 1) builds on the outputs of the IT Strategic Review (2022) and defines the principles, governance, standards and methodology by which the council will source, procure, implement, maintain and deliver IT services both internally (to staff and partners) and externally (to residents).

3.2   The IT strategy links our required outcomes to an IT roadmap which details the work required to achieve them.

3.3   Work over the past four months has enabled much of the detail required to define the proposed 3-year work programme to be collated. However, the IT estate is complex and there are levels of detail and cost which will not be known for certain until the enabling projects are in delivery.

Infrastructure Services:

3.4   EEBC's on-premise IT services are run primarily from a server-room located in Town Hall. This on-premise environment uses a significant amount of electricity to power and cool the servers, storage and related IT equipment, the cost of which is circa £45,000 per annum[1].

3.5   The server room is largely unfit for purpose, having no air-cooling resilience or fire suppression, and only limited (90 minute) power resilience. Given the lack of resilience, a serious incident within the server room has the potential to have a significant, adverse impact upon IT services and consequently EEBC public facing services.

3.6   The recommended strategy is to move EEBC to a state where it requires only minimal on-premise IT infrastructure with computer, data storage, voice (telephony) and other services all delivered via the internet.

3.7   To achieve this the updated roadmap defines a move to a hosted data centre and greater use of Cloud services[2], both of which will greatly improve service resilience and underpin future IT business continuity and disaster recovery plans.

3.8   This approach aligns with:

i.   The IT Service Delivery Plan aim to identify and remediate critical and high IT risks.

ii.   The developing Town Hall/70 East Street reviews, by enabling build costs associated with a dedicated, on-premise IT room to be largely avoided and by simplifying and de-risking the office relocation move.

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[1] Based on current electricity unit price. Cost is variable and over the past 18 months has been significantly higher.

[2] Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS).

iii.   The council's Climate Change Strategy by significantly reducing electricity use of on-premise IT equipment, which currently accounts for 10% of electricity used and 2.8% of the council's total carbon emissions.

3.9   Benchmark annual costs for a hosted environment are circa £50,000 per annum including electricity, making the move broadly cost neutral when offset by reduced local electricity costs. Whilst initial capital funding will be required for the physical relocation of IT equipment this would be incurred in any event should we instead move to an alternate on-premise environment.

3.10   In preparation for the move to hosted data centre and Cloud services we are undertaking a network redesign and reviewing telephony services. This work will seek to rationalise and reduce the overall number of network and telephony circuits and associated service providers, with anticipated revenue savings diverted to fund increased bandwidth and where practical resilient internet circuits.

End User Experience:

3.11   Following funding approval for new End User Devices[3] a number of laptops and monitors have been purchased for Planning (where there is a specific requirement for larger wide-screen monitors) and Business Assurance (to both facilitate their mobile workstyle and to provide a showcase area for other staff to see and trial equipment).

3.12   Our intent is to issue laptops over the coming 9 months to all Town Hall staff, although the rollout will in due course extend to all staff considered "hybrid" workers[4].

3.13   Once complete, the council will be suitably equipped for a modern, hybrid office working environment as well as much better placed to deal with future events requiring a business continuity or disaster recovery response. This work is an enabler also of the Town Hall/70 East Street reviews, should full Council decide to progress this.

3.14   Larger monitors with in-built KVM hubs[5] are being deployed to replace the aged square format monitors. The new monitors enable laptops to be connected and powered through a single cable aiding hot-desking. We will review the monitors purchased in 2019 with a view to using these at least until any accommodation move takes place[6].

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[3] Strategy & Resources Committee – 28/3/2023

[4] Work is underway to align staff to a predefined persona or workstyle. Hybrid workers are those who use a wide range of IT applications, need to be fully equipped and licensed and who work (at least part of the time) from home or other non-office locations.

[5] KVM (Keybord, Video, Mouse). This allows a laptop to be powered and control all connected devices through a single cable.

[6] Requirements will be an output of the Town Hall/70 East Street reviews and will only be available as and when floorplans/desk numbers have been agreed.

3.15 The estimated total device refresh cost will be in the region of £210,000 with £100,000 of capital funding having previously been agreed. It is proposed to fund the balance from a £10,000 underspend on the Members device refresh and £50,000 capital funding provision for Citrix Cloud, which is no longer required. The remaining £50,000 will require new capital funds to be allocated from the 2024-25 scheme.

3.16 We are in the process of conducting an audit of our mobile device service (SIM) contracts and it is anticipated that these will reduce from circa 240 to under 100. We are reviewing also the Crown Commercial Services mobile telephony framework with a view to awarding a corporate mobile contact which should result in a reduced monthly per device cost compared to our incumbent provider. As a result of this work we forecast a 50% (£7,000) reduction to the current annual cost of mobile telephony.

Applications & 3rd Party Software:

3.17 Work on staff personas will determine team and individual IT requirements and consequently the Microsoft and other 3rd party software licences required. Whilst we expect the total number of licences to reduce, it is envisaged that we will need to upgrade our core Microsoft licences to access the required voice, productivity and security functionality.

3.18 Whilst further work is required, we estimate that Microsoft licence costs will increase from £100,000 to £120,000 in 2024/25. This increase is projected to be offset in future years by a reduction in telephony (voice) and 3rd party software costs.

3.19 Currently a number of the council's major applications (Financials, Payments, HR/Payroll) are delivered as Software-as-a-Service (SaaS) with others (inc:- Planning, Building Control, Environmental Health, Revs & Bens) run on-premise. For the latter, a treatment plan will be developed for each with the relevant business areas.

3.20 **Revs & Bens Document Management System:**
Work is underway to select and procure a document management system (DMS) for Revs & Bens to replace the current legacy software which is out of support. Capital funding of £50,000 has previously been approved for implementation and annual costs estimated at £40,000 per annum are included within the IT revenue budget forecast.

3.21 **Modern.Gov:**
Modern.Gov, the council's committee management system, is currently run on-premise with a separate Civica hosted service providing public access to committee reports. Civica offer Modern.Gov as SaaS, although further work is required by IT and Democratic Services to assure the service meets business requirements. A future move from on-premise to SaaS is estimated to require capital funds of £15,000 with an additional £6,000 per annum for hosting. These costs are included within the IT capital and revenue forecasts for 2024/25 and beyond.

3.22 **Housing Abritas:**
The contract for the Housing application (Civica Abritas) is in the process of being renewed. The cost of the newly available SaaS solution is marginally cheaper than a continuation of the existing hosted service which requires bi-annual upgrades funded through capital. The move to SaaS aligns with our Cloud first strategy.

3.23 **My Council Services (MCS):**
Capital funding of £365,000 has previously been agreed for the implementation of MCS, the council's replacement corporate forms, CRM and Waste application. The revenue costs for licences and hosting the application of £57,000 per annum will require new funding from 2023/24 onwards. This requirement will be partially offset by a projected £17,000 per annum saving on our existing forms software (due to be decommissioned November 2023). The unfunded balance of £40,000 per annum has been included within the IT budget forecast.

3.24 **Public Website:**
Our public facing website is currently hosted and running on Drupal 7. Capital funding of £40,000 has previously been agreed to enable the site to be upgraded (likely to LocalGov Drupal v10) and redesigned. Annual revenue costs expected to be within the existing budget.

Security:

3.25 Cyber-security remains an ever-increasing threat to EEBC. Capital funding of £35,000 was approved (2022/23) for the implementation of a hosted Security Incident and Event Management (SIEM) and Security Operations Centre[7] (SOC). This service was implemented in May 2022 however the annual revenue funding to maintain the service adds £37,500 to ongoing operational costs, which is included in the forecasts at section 5.

3.26 From 2024-25 onwards it is proposed that a further £15,000 of new revenue funding is agreed to fund specialist IT Security consultancy services to undertake regular reviews of our security posture and to assist the internal IT Team to implement agreed recommendations.

3.27 A key area of our defence against a successful attack is user education. We will implement mandatory IT Security training for all users of our IT services and will schedule regular simulated attacks (eg: Phishing attack) to identify areas of weakness which require further attention. We envisage this training and testing will be provided for within our upgraded Microsoft licences.

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[7] The function of the security operations centre (SOC) is to monitor, prevent, detect, investigate, and respond to cyber threats.

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4   Risk Assessment

Legal or other duties

4.1   Equality Impact Assessment

- Procurement of IT goods and services will follow the Council's Contract Standing Orders.

4.2   Crime & Disorder

- None for the purposes of this report.

4.3   Safeguarding

- None for the purposes of this report.

4.4   Dependencies

- None for the purposes of this report.

4.5   Other

- The IT strategy and roadmap set out defined actions to migrate the council from the current "as is" to the proposed "future state". Doing so will address a number of identified IT risks.

- Staff resource (both within IT and departments) to implement the roadmap are limited. Changes in personnel and/or competing work priorities have the potential to adversely impact delivery.

- Whilst additional funding provision has been included for cyber-security, this remains an area where the speed of change is such that it is difficult to predict future threats and the required response.

- Work since the draft IT strategy was submitted to S&R in March 2023 has resulted in a comprehensive 3-year financial model. However, this model relies upon a number of assumptions and caveats with an underlying risk that the identified funding may be insufficient.

5   Financial Implications

5.1   Historically, each year the IT Team has made a capital bid to enable the IT systems to be improved in line with the agreed strategic direction and to replace obsolete applications and hardware, with such funding typically in the region of £250,000 per annum.

5.2   Delivery of the IT Strategy & Roadmap will require updated future funding arrangements. This is in-part to cater for the increasing use of consumption-based cloud services which will require a shift from capital to revenue expenditure.

5.3 Whilst savings will be achieved through simplification of the infrastructure and applications estate, it is anticipated that overall costs for IT are likely to rise as a result of increased use of IT services by business functions, adoption of new technologies, and the ever-increasing requirement to combat cyber threats.

5.4 The forecast revenue budget implications of adopting the recommended IT strategy and delivery of the IT roadmap are summarised below in Table 1. Figures are not adjusted for inflation, as the Council budgets centrally for inflation, which is then applied to service budgets to reflect specific inflationary impacts.

Table 1 - Revenue	Current Approved/Forecast IT Budgets (£)			Proposed Changes (£)			Total Updated Indicative Budgets
	Staff	Software & Hardware	Total	Staff	Software & Hardware	Subtotal Changes	
2023/24	700,000	870,000	**1,570,000**	-20,000	+91,000	+71,000	**1,641,000**
2024/25	700,000	870,000	**1,570,000**	0	+209,000	+209,000	**1,779,000**
2025/26	700,000	870,000	**1,570,000**	0	+154,000	+154,000	**1,724,000**
2026/27	700,000	870,000	**1,570,000**	0	+164,000	+164,000	**1,734,000**
Total Revenue Budget Changes						**+598,000**	

Table 1: Revenue Budget Forecast 2023/24 to 2026/27

5.5 In 2023/24 net IT costs are forecast to be £71,000 higher than the approved £1.57m budget. This arises mainly due to funding requirements of new software (primarily MCS - £57,000 and SIEM – £37,500), partially offset by a saving from a vacant staff post and a forecast underspend on infrastructure and comms.

5.6 In 2024/25 revenue costs are expected to peak as a result of services moving to SaaS (including Revs & Bens Document Management System and Modern.Gov), changes to our Microsoft licences and dual running as systems are transitioned.

5.7 In 2025/26 it is anticipated that revenue costs will begin to normalise as transition work completes and the Council increasingly operates on Cloud services. The forecast by 2026/27 is for annual revenue costs to be £164,000 higher than the current baseline budget, however, this increase will be offset by a reduced requirement for capital funding, as summarised in the following Table 2:

Table 2 - Capital	Current Approved/Forecast IT Budgets		Proposed Changes (£)	Total Updated Indicative Budgets (£)
	IT Programme of Works (£)	CRM Replacement (£)		
2023/24	440,000	265,000	0	**705,000**
2024/25	250,000	100,000	-100,000	**250,000**
2025/26	250,000	0	-110,000	**140,000**
2026/27	250,000	0	-200,000	**50,000**
Total Capital Budget Changes			**-410,000**	

Table 2: IT Capital Budget Forecast 2023/24 to 2026/27

5.8   A full breakdown of the proposed capital budgets is shown at Appendix 2.

5.9   **Funding of Capital Expenditure**
      IT capital schemes are currently funded by the Council's annual contribution from the revenue budget, which totals £500,000 in 2023/24 and expected to increase to £750,000 by 2026/27.

5.10 IT capital budgets for 2023/24 have already previously been approved and funded. It is anticipated that the forecast budgets for 2024/25 to 2026/27 can be fully funded from the Council's budgeted revenue contributions.

5.11 **Funding of Revenue Expenditure**
      Delivery of the IT Strategy is expected to increase revenue expenditure by a cumulative total of £434,000 until 2025/26 (see Table 1). This increase will be partially offset by a cumulative £210,000 reduction in IT's demand on the budgeted revenue contribution to capital by 2025/26 (see Table 2). To fund the £224,000 balance, the Council will need to factor a contingency for IT transformation into its medium-term financial plans.

5.12 From 2026/27, the underlying increase in annual revenue costs is expected to be £164,000 per annum. Delivery of the IT Strategy should enable the council to fund these increased revenue costs by reducing, by up to £200,000, the budgeted revenue contributions to capital projects from 2026/27.

5.13 While re-purposing a portion of the Council's budgeted revenue contribution to capital would reduce funds available to invest in other capital projects from 2026/27, this would be mitigated as the requirement for IT capital expenditure is expected to reduce from 2026/27.

5.14 The outcomes of the ongoing Town Hall/70 East Street reviews may ultimately require the IT Strategy to be adapted. Although it is expected that the proposed IT investments in this report will be transferable and applicable to any new office site, should the property reviews identify additional costs to facilitate any potential office move, these will be considered and brought to members within the conclusion of the property reviews.

5.15 **Section 151 Officer's comments**:
Financial implications are set-out in the body of the report and will be factored into the Council's Medium Term Financial Strategy.
It is important that the IT Strategy and associated funding be reviewed annually, to ensure that the Council's IT offering remains aligned with both technological developments and operational requirements, and that plans remain affordable.

6 **Legal Implications**

6.1 **Legal Officer's comments**:

None based upon the contents of this report.

7 **Policies, Plans & Partnerships**

7.1 **Council's Key Priorities**: The following Key Priorities are engaged:

Effective Council - Improve access to services through technology.
Smart & Connected – Increase digital connectivity for all.

7.2 **Service Plans**: The ICT Roadmap underpins the current IT Service Delivery Plan.

Climate & Environmental Impact of recommendations:

The revised IT Strategy and IT Roadmap support the Climate Change Action Plan as follows:

Theme 2: Council Building & Energy Use.

- a reduction in accommodation required for staff and on-premise infrastructure will support reduced energy consumption (action 17)

Theme 6: Use of technology and information systems.

- reduce the need to travel to meetings (action 53),

- support a change in working practices, improved digital skills, and reduced use of print/paper (action 55),

- support a reduction in on-premise infrastructure and the move to Cloud services (action 58).

7.3 **Sustainability Policy & Community Safety Implications**:

None for the purposes of this report.

7.4 **Partnerships**:

None for the purposes of this report.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- IT Strategy – 28th March 2023

Other papers:

- None