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SteVenage
BOROUGH COUNCIL

AUDIT COMMITTEE

Date: Tuesday, 12 November 2019
Time: 6.00pm
Location: Shimkent Room, Daneshill House, Danestrete
Contact: Ian Gourlay (01438) 242703
committees@stevenage.gov.uk

Members: Councillors: M McKay (Chair), J Gardner (Vice-Chair), S Barr, Booth,
L Chester, D Cullen, L Kelly, G Lawrence.
Independent Co-opted Member: Mr G Gibbs

AGENDA

PART 1

1.   APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2.   MINUTES - 10 SEPTEMBER 2019

To approve as a correct record the Minutes of the meeting of the Audit Committee
held on 10 September 2019.
Pages 3 – 8

3.   EXTERNAL AUDIT 2018/19 - PROGRESS REPORT

To receive a verbal update from the Assistant Director (Finance & Estates)
regarding progress on the 2018/19 External Audit.

4.   PROGRESS WITH DELIVERY OF 2019/20 ANTI-FRAUD PLAN

To consider a progress report on the delivery of the 2019/20 Anti-Fraud Plan.
Pages 9 – 26

5.   INTERNAL AUDIT PLAN 2019/20 - PROGRESS REPORT

To consider a progress report on the SIAS 2019/20 Internal Audit Plan.
Pages 27 – 56

6.   MID YEAR REVIEW OF THE 2019/20 TREASURY MANAGEMENT STRATEGY

To consider the Mid Year review of the 2019/20 Treasury Management Strategy.
Pages 57 – 82

7. **PROGRESS OF CORPORATE AND SERVICE GOVERNANCE ACTIONS**

To consider the progress of Corporate and Service Governance Actions.
Pages 83 – 100

8. **INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) JOINT STRATEGY UPDATE**

To consider an update on the Information and Communications Technology (ICT) Strategy.
Pages 101 – 212

9. **URGENT PART 1 BUSINESS**

To consider any Part 1 business accepted by the Chair as urgent.

10. **EXCLUSION OF PUBLIC AND PRESS**

To consider the following motions –

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

11. **PART II MINUTES - AUDIT COMMITTEE - 10 SEPTEMBER 2019**

To approve as correct record the Part II Minutes of the meeting of the Audit Committee held on 10 September 2019.
Pages 213 – 216

12. **STRATEGIC RISK REGISTER**

To note the latest Strategic Risk Register for Stevenage Borough Council and developments on risk management issues.
Pages 217 - 244

13. **URGENT PART II BUSINESS**

To consider any Part II business accepted by the Chair as urgent.

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE
MINUTES

Date: Tuesday, 10 September 2019
Time: 6.00pm
Place: Shimkent Room, Daneshill House, Danestrete

Present:	Councillors: Maureen McKay (Chair), John Gardner (Vice-Chair), Sandra Barr, Stephen Booth, Laurie Chester and Graham Lawrence. Independent Member: Mr Geoff Gibbs
Also present:	Simon Martin (Shared Internal Audit Services)
Start / End Time:	Start Time: 6.00pm End Time: 7.17pm

1   APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

There were no declarations of interest.

2   MINUTES - 11 JUNE 2019

It was **RESOLVED** that the Minutes of the Audit Committee meeting held on 11 June 2019 be approved as a correct record and signed by the Chair.

In relation to Minute 5 – Accounts and Audit Timeline, the Assistant Director (Finance & Estates) stated that the audit of the Council's Statement of Accounts had been further delayed. The audit would now commence in early/Mid October 2019, with a view to the audited Statement of Accounts being approved in late November 2019. She added that the national position revealed that 205 Council audits were yet to be completed, 95 of which were due to be carried out by Ernst & Young.

As advised at the Member Statement of Accounts Training session held on 2 September 2019, the Assistant Director (Finance & Estates) had expressed her concerns to Ernst & Young over this further delay. She was still waiting to hear if the Housing Benefit certification would be similarly delayed, as this had a knock on effect on the Statement of Accounts which could result in the Department of Work & Pensions (DWP) deducting an element of Housing Benefit subsidy. She would be liaising with the DWP over this matter.

The Assistant Director (Finance & Estates) commented that the Leader of the Council had raised this matter at the Local Government Association Resources Panel, who would be taking it up with the Government.

The Committee was supportive of the concerns of the Assistant Director (Finance & Estates), especially the disruptive impact on SBC staff earmarked to assist in the audit process.

In reply to a Member's question regarding any action the Council could take against the external auditor for the delay, the Assistant Director (Finance & Estates) explained that costs could be recovered if financial penalties resulted, although this would be carried out through negotiation and, if necessary, through arbitration.

3   ANNUAL TREASURY MANAGEMENT REVIEW 2018/19 INCLUDING PRUDENTIAL CODE

The Assistant Director (Finance & Estates) presented the Annual Treasury Management Review of 2018/19.

The Assistant Director (Finance & Estates) advised that the report summarised the fluctuating interest rate and inflation position over the year, partly due to the Brexit uncertainty. However, the interest on Public Works Loan Board borrowing rates had continued to fall, and so it would be an opportune time for borrowing.

The Assistant Director (Finance & Estates) referred to the projected investment balances set out in Paragraph 4.3 of the report, and the diminishing balance levels projected forward to 2022/23, as shown in Paragraph 5.8.5 of the report.

The Assistant Director (Finance & Estates) explained that a review of the Council's Commercial Strategy would be presented to the Executive in November 2019, which would include an opportunity to review the use of property fund investment options.

The Chair reminded Members that the regulatory environment placed the responsibility on the Committee for the review and scrutiny of the treasury management policy and activities.

In relation to a question regarding the Queensway Properties (Stevenage) LLP, the Assistant Director (Finance and Estates) confirmed that the construction monies held in a named SBC account were excluded from the Treasury Management Strategy. As the redevelopment of Queensway continued monies would be drawn down from this account until the project was completed. Should the construction contract not be completed by the existing contractor, it was intended that the monies remaining in the account would be used to fund the completion of works.

It was **RESOLVED:**

1.   That the 2018/19 Annual Treasury Management Review be recommended to Council for approval.

2.   That the updated Minimum Revenue Provision (MRP) Policy be recommended to Council for approval.

4   INTERNAL AUDIT PLAN 2019/20 - PROGRESS REPORT

The Committee considered a progress report on the Shared Internal Audit Service (SIAS) Audit Plan 2019/20 for the period to 23 August 2019.

The SIAS Client Audit Manager advised that, since the preparation of the report, 30% of audit days had been completed, with 6 audits at reporting stage. 20 out of 36 audits were in progress or had been completed.

The SIAS Client Audit Manager drew attention to Appendix B to the report, which set out the implementation status of critical and high priority audit recommendations. Of the 9 recommendations relating to the CCTV partnership, he commented that 7 had been implemented, with the remaining 2 in progress. A follow up audit would be carried out later in 2019.

The following responses were made to queries raised by Members:

- The SIAS Client Audit Manager stated that it was intended that an electronic questionnaire would developed, in an endeavour to improve the volume of customer satisfaction responses;
- The Interim Strategic Director confirmed that the High Priority Audit Recommendations with regard to cyber security would be addressed through the emerging ICT Strategy, scheduled for consideration by the Executive in October 2019. The implementation dates for these High Priority Recommendations would be embedded in the Strategy, and resources were in place to deliver the required investment requirements. The Committee requested the Interim Strategic Director to provide an update on the ICT Strategy to its next meeting;
- In respect of the two new High Priority Recommendations relating to the Museum Audit, it was agreed that should these not be implemented by the time of the next Committee meeting, the relevant Assistant Director should be asked to attend to explain the reasons why.

It was **RESOLVED:**

1. That the Shared Internal Audit Service (SIAS) Internal Audit Progress report be noted.

2. That the status of Critical and High Priority Recommendations be noted.

5   SIAS ANNUAL REPORT 2018/19

The Committee considered the SIAS Annual Report for 2018/19.

The SIAS Client Audit Manager advised that the service had achieved its overall targets for 2018/19, including audit days delivered and shared learning across the partnership. Customer satisfaction feedback had been positive, and the service had operated within budget, with a 2018/19 surplus of £68,520 being transferred to the SIAS reserve.

The SIAS Client Audit Manager undertook to give consideration of the inclusion in future Annual Reports of an introductory paragraph explaining the role of SIAS.

The Committee noted that SIAS did not provide audit services for all 10 Hertfordshire Borough/District Councils. It was explained that it was often difficult to gain the commitment of all authorities to participate in shared working arrangements.

It was **RESOLVED** that the Shared Internal Audit Service (SIAS) Annual Report 2018/19 be noted.

6   URGENT PART 1 BUSINESS

None.

7   EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED:**

1.   Under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.

2.   Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

8   HERTFORDSHIRE HOME IMPROVEMENT AGENCY AUDIT

The Committee considered the Final 2018/19 Audit Report relating to the Hertfordshire Home Improvement Agency (HHIA).

It was **RESOLVED** that the Hertfordshire Home Improvement Agency Final Audit report 2018/19 be noted.

9   STRATEGIC RISK REGISTER

The Committee received the Council's latest Strategic Risk Register, relating to Quarter 1 of 2019/20 (April – June 2019).

It was **RESOLVED:**

1.   That the latest Strategic Risk Register (set out in Appendices A1 – A3 to the report) be noted.

2.   That developments on risk management issues be noted.

10   URGENT PART II BUSINESS

None.

<u>CHAIR</u>

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Stevenage Borough Council

Progress with delivery of the 2019/20 Anti-Fraud Plan

November 2019

Recommendation

| Members are recommended to:

Note the work of the Council and the Shared Anti-Fraud Service in delivering the **2019/20 Anti-Fraud Plan** |

Contents

Introduction

Introduction

This report provides details of the work undertaken to protect the Council against the threat of fraud and the Council's 2019/20 Anti-Fraud plan. The Committee are asked to note this work.

Recent reports have been provided to Council officers and are being used by SAFS to ensure that the Council is aware of its fraud risks and finding ways to mitigate or manage these effectively wherever possible.

These reports include:

- *Fighting Fraud and Corruption Locally 2016–2019 Strategy* produced by CIPFA in March 2016 and supported by CLG. The new strategy estimates annual fraud losses in local government at around £2.1bn (this report is based on 2013 data).

- *UK Annual Fraud Indicator 2017* published in partnership by Crowe Clark Whitehill, Portsmouth University and Experian which estimates the risk of fraud losses for local government in excess of £8bn per annum.

- CIPFAs *Fraud and Corruption Tracker 2018* indicates that identified fraud had increased since 2016 but that counter fraud capacity within councils had reduced, and would continue to do so, placing local government at even greater risk of fraud.

- The Central Governments *United Kingdom Anti-Corruption Strategy 2017-2022* includes the vision and priorities for dealing with and reducing the risk of corruption within the UK private, public & charity sectors and when working with organisations /companies/government agencies abroad.

1.   Background

1.2   According to reports from CIPFA, National Audit Office (NAO), Cabinet Office, and the Private Sector, fraud risk across local government in England exceeds £2.billion each year, with some more recent reports indicating levels considerably above this.

1.3   The Cabinet Office, Ministry for Housing Communities and Local Government, National Audit Office, and CIPFA have also issued advice, and best practice guidance, to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for Councils to be vigilant in recognising their fraud risks and to invest sufficient resources in counter fraud activities that deliver savings.

1.4   It is essential that to support this service the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of identified fraud.

1.5   Stevenage Council is a founding member of the Hertfordshire Shared Anti-Fraud Service (SAFS). This Committee has previously received detailed reports about the creation of SAFS, and how this service works closely with the Councils Internal Audit Service. SAFS works across the whole Council dealing with many aspects of fraud, from deterrence & prevention to investigation & prosecution.

2.   SAFS Activity 2019/20

Staffing & Resources

2.1   In March 2019 this Committee approved the 2019/20 Anti-Fraud Plan for the Council and KPIs for SAFS to achieve in respect of delivery of the plan. See **Appendix A** for details of the Plan and **Appendix B** for progress with delivery and KPI Performance.

2.2   The SAFS Team (for 2019/20) is Composed of 18 accredited and trained counter fraud staff and is based at Hertfordshire County Councils offices in Stevenage.

2.3   Each SAFS Partner receives dedicated support and response. At present this is achieved by allocating officers to work exclusively for each Partner, but also allowing all officers within the Team to work with different Partners from time to time. Providing the Service in this way allows officers to develop good working relationships with Council staff, but also offers improved resilience and flexibility across the Partnership as a whole. SAFS Officers have access to Council offices, officers, systems & data to conduct their enquiries.

2.4   For 2019/20 SAFS deployed 1 member staff to work exclusively for the Council, and provides management and direction for the Councils own Tenancy Fraud Investigator. These officers are both supported by the SAFS Intelligence Team, based at Stevenage, which includes expertise in open source intelligence, statutory data enquiries, data-analytics and financial investigations.

Fraud Awareness and Reported Fraud

2.5   One of the key aims for the Council is to create an 'Anti-Fraud' culture that will deter fraud; encourage senior managers and Members to consider the risk of fraud when developing policies or processes to prevent fraud occurring; encourage staff and the public at large to understand the impact of fraud on the Council and to report fraud where it is identified.

2.6   The SAFS webpage – www.hertfordshire.gov.uk/reportfraud includes an online reporting tool. A confidential fraud hotline (0300 123 4033) and a secure email account are also available for reporting fraud – fraud.team@hertfordshire.gov.uk . These contact details are also available on the Councils own website and intranet. None of these functions replace the Council's own Whistleblowing reporting procedures. Council staff can use the same methods to report fraud or contact SAFS officers working at Stevenage.

2.7   Council staffs have been provided with fraud awareness training in areas such as procurement and contract fraud, housing/tenancy fraud, and identity and false document awareness so far this year. Working with the Councils HR team SAFS have assisted with the delivery of an e-training package for staff and Members to raise awareness of fraud as a risk which is hosted on the Councils intranet.

2.8   SAFS Management now form part of the Councils Corporate Governance Group and sit on the Joint Action Group (JAG), which is a partnership of police and the council to tackle various low level but prolific or persistent offending.

Counter Fraud Activity

2.9   In the first two quarters of 2019/20 SAFS received a total of 91 allegations of fraud affecting Council services.

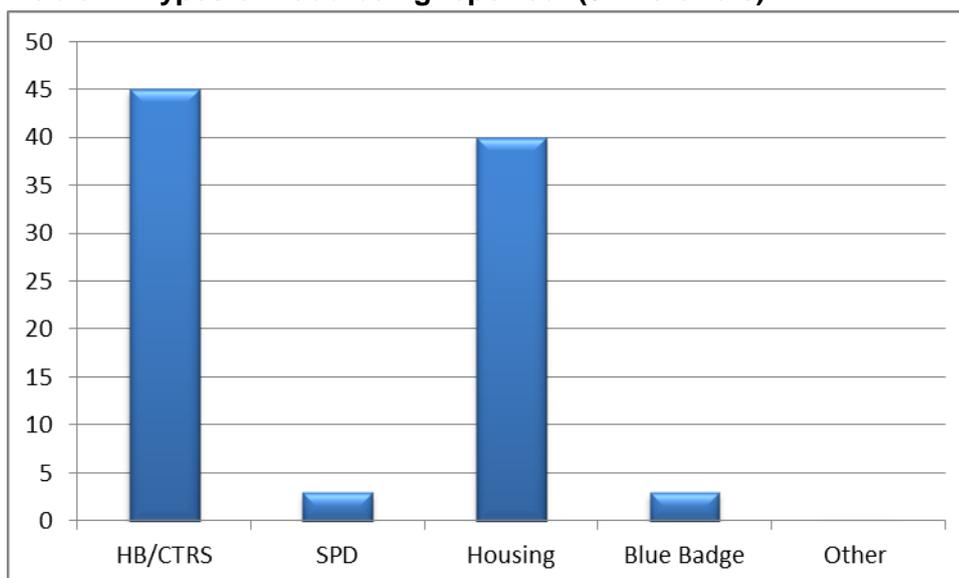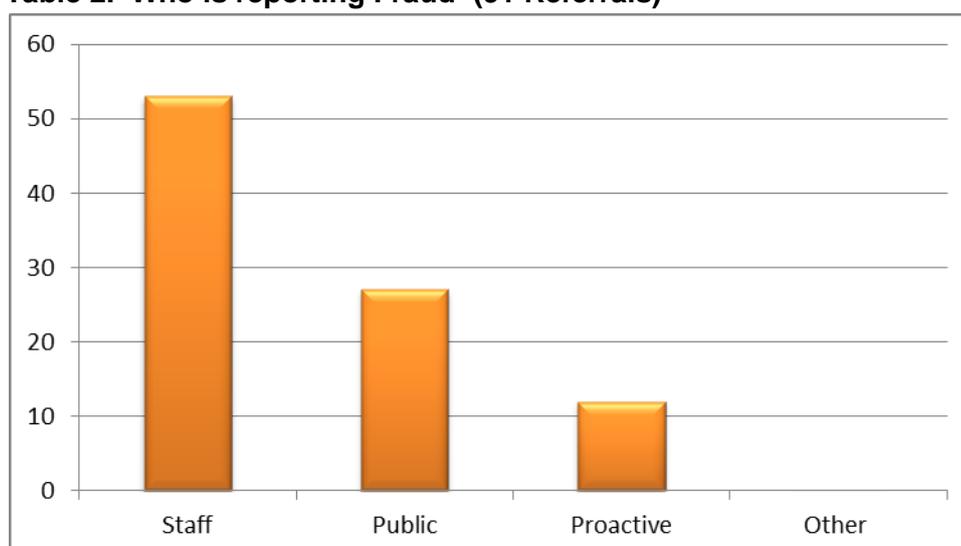**Table 1. Types of fraud being reported- (91 Referrals)**

Table 2. Who is reporting Fraud- (91 Referrals)

2.10   SAFS also carried forward 74 cases from 2018/19.

2.11   At the time of this report many cases raised for investigation are still in the early stages. However, of 35 investigated and closed in the year fraud losses of £49,000 and fraud savings of £41,000 have been recorded. This is the estimated value of losses, and these monies, where applicable, will be recovered where it relates to housing benefit overpayments, or council tax liabilities.

'**Fraud Loss' is where a fraud has occurred resulting in a debt that can be recovered through civil/statutory routes. 'Fraud Savings' reflect attempted frauds that have been prevented or an ongoing 'Loss' that has been stopped.**

2.12   Of 63 live cases still under investigation the estimated fraud loss and savings combined exceed £290k.

2.13   As well as the financial values identified SAFS has assisted the Council's Tenancy Fraud Investigator in the recovery of 6 Council properties that were subject to tenancy fraud.

2.14   Work is ongoing using the Housing Partners system 'Housing Insight' to assist in the identification of fraud relating to Council Properties. This can relate to tenants who are subletting their properties, or where the tenant is falsely claiming housing benefit or council tax discounts. This is still a relatively new service and is being closely supported by the SAFS Intelligence Team reviewing potential frauds against third party systems. To date around 900 reports have been received and 19 cases have been selected so far for further investigation.

2.15   SAFS manage the framework contract for all councils in Hertfordshire to conduct bulk reviews of council tax discounts and exemptions, improving collection and preventing fraud. These services are provided with split in costs between Hertfordshire County Council, the Police and Crime Commissioner, and district and borough councils. The

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Councils Shared Revenue and Benefit Service will be making use of this Framework in 2019/20.

2.16   Parking Enforcement Officers, employed as part of the shared arrangement with Welwyn and East Herts Councils, continue to work closely with SAFS to bring prosecutions for persistent abuse of Blue Badges in the Council's car parks. This relationship is further enhanced by the Councils Legal Service being shared with the County Council.

2.17   In May and June SAFS conducted a social/ press media campaign to raise awareness and act as a deterrent to blue badge fraud and encourage the public to report it. The campaign resulted in a number of badges being returned as part of an amnesty and several cases of identified blue badge abuse have been reported for prosecution.

2.18   SAFS continues to work in partnership with the DWP to share data and evidence where fraud impacts on local welfare schemes, such as Council Tax Support or Housing Benefit, and national schemes, such as Income Support and Job Seekers Allowance or Universal Credit.

2.19   SAFS ensured the Council's compliance with the National Fraud Initiative (NFI). The NFI is a nationwide anti-fraud data sharing exercise conducted by the Cabinet office every two years across local and central government.

2.20   1,612 potential matches were received as part of the 2018/19 NFI exercise. In total 316 of these marked as high or medium priority. All of the high risk or 'recommended' matches have been prioritised for review by SAFS or Council officers dependant on type and risk. At the end of September 161 high risk matters had been reviewed and savings of £184k recorded.

Appendices

A.   SAFS/SBC Anti-Fraud Plan 2019/20

Stevenage
Anti-Fraud Plan 2019

B.   Performance against Plan to 30/9/2019.

Performance to
October 2019

Stevenage Borough Council
Anti-Fraud Plan 2019/2020

in partnership with

The Shared Anti-Fraud Service

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Introduction

This plan supports the Councils Anti-Fraud and Corruption Strategy by ensuring that Stevenage Borough Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service and others, has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Policy states that the Council;

- **is opposed to fraud and corruption,**

- **recognises the need for staff and Members to support the policy,**

- **expects Members and staff to adhere to the highest standards of honesty and integrity,**

- **that Members and staff will act in accordance with legal requirements and Council procedures,**

- **that individuals and organisations that deal with the Council to meet the same standards.**

This plan includes objectives and key performance indicators that support the Strategy and meet the best practice guidance/directives from central government department such as Ministry for Housing Communities and Local Government and other bodies such as National Audit Office and the Chartered Institute for Public Finance and Accountancy.

National Context.

In 2013 the National Fraud Authority stated that the scale of fraud against local government is large, but difficult to quantify with precision. Since 2013 a number of reports have been published by various organisations including CIPFA, NAO and MHCLG stating that the threat of fraud against local government is both real, causes substantial loss and that fraud should be prevented where possible and pursued where it occurs.

In its 2015 publication *Code of practice on managing the risk of fraud and corruption* CIPFA highlighted the five principles for public bodies to embed effective standards for countering fraud and corruption in their organisations. These principles support good governance and demonstrate effective financial stewardship and strong public financial management

The five key principles of the code are to:

- Acknowledge the responsibility of the governing body for countering fraud and corruption
- Identify the fraud and corruption risks
- Develop an appropriate counter fraud and corruption strategy
- Provide resources to implement the strategy
- Take action in response to fraud and corruption.

The CIPFA *Local Government Counter Fraud and Corruption Strategy (2016-2019)* included a summary of reported fraud losses across councils in England totalling £307m per annum but that hidden and unreported fraud risks could exceed £2bn each year. The strategic response for local government to respond to the threat of fraud threats provides three key principles **'Acknowledge/Prevent/Pursue'**. The strategy was supported by Department for Communities and Local Government, the Local Government Association and Fighting Fraud Locally Board.

In addition, local authorities can ensure that their counter fraud response is comprehensive and effective by considering their performance against each of the six themes (6C's) identified in the CIPFA Strategy:

- Culture - creating a culture in which beating fraud and corruption is part of daily business,
- Capability - ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks,
- Capacity - deploying the right level of resources to deal with the level of fraud risk,
- Competence - having the right skills and standards,
- Communication - raising awareness, deterring fraudsters, sharing information, celebrating successes
- Collaboration - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

The Annual Fraud Indicator (AFI) 2017 (published in partnership by Crowe Clark Whitehill, Portsmouth University and Experian) attempts to identify the cost of fraud to the UK economy. The AFI estimated fraud losses for local government as follows.

- Total loss across local government - £7.8bn
- Tenancy Fraud- £1.8bn
- Procurement Fraud - £4.4bn
- Payroll Fraud - £1bn
- Other - £.6bn

The AFI does not include housing benefit fraud or council tax fraud as a loss to local government but estimates the loss of these combined at around £1.1bn.

What is clear is that every pound lost to fraud from the public purse is a pound lost from essential front line services. The Councils Anti-Fraud Plan 2019/2020 is based on the principles of 'Acknowledge/ Prevent/ Pursue' and the 6 C's to ensure the Council is adequately protected from fraud risk and where fraud does occur there are plans to manage, mitigate, recover any losses.

SAFS Resources 2019/2020

Anti-Fraud Arrangements

Stevenage Borough Council is a founding Partner in the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015.

SAFS is a Partnership where each organisation pays an annual fee for Hertfordshire County Council to provide a contracted service across the whole Partnership. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has one seat on the Board. For Stevenage Borough Council the Assistant Director- Finance & Estates is the Board representative.

Although SAFS provides much of the Councils proactive, reactive and operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

Budget

In September 2018 the SAFS Board accepted a report from the SAFS Manager to increase the fees for all Partners. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for the next three years. There has been no previous increase in fees since 2015.

 The Board agreed that the annual fee for all Partners would increase by 2% per annum to 2022 to be reviewed further at that time and that fees for Stevenage Borough Council will increase from £100,000 + VAT (2018/19) to £102,000 + VAT (2019/20).

Staffing

The full complement of SAFS in 2019/20 will be 17.6 FTE's; 1 Manager, 2 Assistant Managers, 10 Investigators, 3 Intelligence Officers. The Team is also supported by 1 FTE Data-Analyst and .6 FTE Accredited Financial Investigator both posts funded from SAFS Budgets.

Stevenage Borough Council will have access to 1 FTE Investigator, access to intelligence functions of the service, all data-matching services being offered through the SAFS Data-Hub and Herts *FraudHub* hosted by the Cabinet Officer and can call on SAFS management for liaison & management meetings and three Audit Committees reports per annum. SAFS also have access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties.

SAFS will also support the Tenancy Fraud Investigator employed by the Council, providing access to systems, intelligence and management support for investigations.

SAFS will provide fraud awareness training for Council staff and be available during normal office hours to provide general advice or guidance to officers on emerging fraud threats or those matters requiring an immediate response.

SAFS - Standards of Service.

SAFS will provide Stevenage Borough Council with the following fraud prevention and investigation services as part of the contracted anti-fraud function.

1. Access to a managed fraud hotline and webpage for public reporting.
2. Process and document for SAFS Partner staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Prevention.
4. Assistance in the design/review of Council policies, processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates which can be adopted by the Council.
6. SAFS will provide a proactive data-matching solution (NFI- Herts *FruadHub*) to assist in the early identification of fraud and fraud prevention
   - The FraudHub will be funded by the Council
   - The FraudHub will be secure and accessible only by nominated SAFS and Council Staff.
   - Data will be collected and loaded in a secure manner.
   - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually. The protocol will clearly outline security provisions and include a Privacy Impact Assessment.
   - SAFS will work with nominated officers in the Council to access data-sets to load into the data-warehouse and determine the frequency of these.
   - SAFS will work with Council officers to determine the most appropriate data-matching for each of them and the frequency of such data-matching.
7. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
8. All SAFS investigations will comply with legislation including DPA, GDPR, PACE, CPIA, HRA, RIPA* and all relevant policies of the Council.
9. Reactive fraud investigations.
   - All reported fraud will be actioned by SAFS within 5 days, on average.
   - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response within 2 working days of receipt
   - All cases reported to SAFS will be reviewed within 5 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation or referral to 3rd parties including police, DWP, Action Fraud.
   - The Council will be informed of all reported fraud affecting its services.
   - SAFS will allocate an officer to each cases selected investigation.
   - SAFS officers will liaise with nominated officers at the Council to access data/systems/office accommodation required to undertake their investigations.
   - SAFS officers will provide updates on cases and a report with summary of facts and supporting evidence on conclusion of the investigation for the Council to review and make any decisions.
   - Where a decision indicates an offence SAFS will draft a report for the nominated officers of the Council to make a decision on any further sanctions/prosecutions.
10. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal based on the Code for Crown Prosecutors and the Council's published policies.
11. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
12. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
13. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

*Data Protection Act , General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.

SBC / SAFS Action Plan 2019/2020

CIPFA Principles	Goals & 6Cs	Activities	Responsible Officer
ACKNOWLEDGE	Fraud is acknowledged as a Risk for the Council **CULTURE**	The Council has in place Anti-Fraud and Corruption Strategy & Fraud Response Plan	s.151 / Monitoring Officer
		Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement. Review the Councils Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime Policies	Monitoring Officer
		Audit Committee and Senior Managers ensure compliance with CIPFA best practice in the Councils counter fraud arrangements	s.151 Offier
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Monitoring Officer
	The Council has a robust communication policy demonstrating its commitment to prevent fraud **COMMUNICATION**	The Councils Communication Team will publicise prosecutions, anti-fraud campaigns and provide internal communications to staff on fraud awareness	Head of Communications
		Access to SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.	SAFS Mgr
		The Council and SAFS will provide fraud awareness or specific anti-fraud training across all Council services and review the E-Learning Training for staff	SAFS Mgr & Head of HR
		SAFS will provide fraud alerts to appropriate officers/staff/services from Action Fraud/ NAFN/ Police .	SAFS Mgr
PREVENT	Co-ordination of effort, sharing of best practice, data, fraud alerts and new threats. **COLLABORATION**	Implement the contract for Stevenage Borough Council to join the Herts *FraudHub* in 2019.	SAFS Manager/ Monitoring Officer
		Review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA	Monitoring Officer
		Deliver the NFI 2018/19 Exercise	SAFS Mgr
		Work with DWP to deliver CTRS/HB joint working 2018/19 roll-out	SAFS Mgr/Shared R&B Manager
		Work with other organisations, including private sector, to improve access to data	SAFS Mgr
	Have the highest levels of professional standards **COMPETENCE**	All SAFS staff will be fully trained and accredited	SAFS Mgr
		All investigations will comply with relevant legislation and Council policies	SAFS Mgr
		SAFS will work with the LGA and Cabinet Office to support the roll out of a Counter-Fraud Profession	SAFS Mgr
		SAFS will work with all relevant Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA	SAFS Mgr
PURSUE	Ensuring the Counter-Fraud Measures are appropriate to the range of fraud risk. **CAPABILITY**	SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	SAFS Mgr/ S.151 Officer
		SAFS will record and report on all fraud referred, investigated and identified	SAFS Mgr
		SAFS will review fraud trends and new threats and report on these to Council officers	SAFS Mgr
		The Shared Legal Service and Housing, HR and Debt Recovery Teams will seek to 'prosecute' offenders, apply sanctions, recover social homes and recover financial losses	Monitoring Officer
	Develop the right level of resources to deal with the level of fraud risk **CAPACITY**	The Council will review its ROI from SAFS Membership	S.151 Officer
		SAFS will assist the Council in providing its Transparency Code (Fraud) Data annually	SAFS Mgr
		Reports for Audit Committee on all Counter Fraud activity	SAFS Mgr/ S.151 Officer
		SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	SAFS Mgr

s.151 Officer is Assistant Director- Finance & Estates
Monitoring Officer is Service Director- Head of Shared Legal Service

SAFS
KPIs 2019/2020

KPI	Measure	Target 2019/2020	Target 2018/2019	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	New Target	Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 1 FTE on call at Stevenage Borough Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit Committee. C. SAFS Attendance at Corporate Governance Groups.	A. 1 FTE B. 2 Report C. New	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases 2 Days. B. All other cases 5 Days on Average. C. Provide compliance for 'Joint Working' with DWP/FES	New Target	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN B. Membership of CIPFA Counter Fraud Centre C. Access to NAFN for relevant Council Staff D. 5 Fraud training events for staff/Members in year. E. Support for in-house TF Investigation Staff.	New Target	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. 100 - Fraud referrals from all sources to SAFS B. 60% of cases investigated and closed in year proved. C. 12 Social homes secured from sub-letting or other unlawful tenancy breaches. D. 100% Review of RTB Application.	A. 100 Refs B. 60% C. 12 D. New	This target will measure the effectiveness of the service in promoting the reporting of fraud by staff and public, & measure the effectiveness in identifying cases worthy of investigation.
6	Making better use of data to prevent/identify fraud.	A. Implement the Herts FraudHub for SBC. B. Complete NFI 2018/2019 Reports.	New Target	Build a Hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.

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SBC / SAFS Action Plan 2019/2020

CIPFA Principles	Goals & 6Cs	Activities	Responsible Officer	Progress to October 2019
ACKNOWLEDGE	Fraud is acknowledged as a Risk for the Council *CULTURE*	The Council has in place Anti-Fraud and Corruption Strategy & Fraud Response Plan	s.151 Officer	The Councils Anti-Fraud Strategy needs review
		Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement. Review the Councils Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime Policies	Monitoring Officer	The Council is considering a new suite of counter fraud policies.
		Audit Committee and Senior Managers ensure compliance with CIPFA best practice in the Councils counter fraud arrangements	s.151 Officer	Reported in the Councils Annual Governance Statement
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Monitoring Officer	The Council is currently workng on new policies as mentioned above
	The Council has a robust communication policy demonstrating its commitment to prevent fraud *COMMUNICATION*	The Councils Communication Team will publicise prosecutions, anti-fraud campaigns and provide internal communications to staff on fraud awareness	Head of Communications	The Council has agreed a plan for internal and external Comms to promote International Fraud Awareness Week in November
		Access to SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.	SAFS Mgr	SAFS webpage/ email/ hotine numbers avaibale on SBC webpage and Intranet
		The Council and SAFS will provide fraud awareness or specific anti-fraud training across all Council services and review the E-Learning Training for staff	SAFS Mgr & Head of HR	The Councils HR Team are working on the implementaion of the the E-Learning provided by SAFS
		SAFS will provide fraud alerts to appropriate officers/staff/services from Action Fraud/ NAFN/ Police .	SAFS Mgr	6 Alerts isseud to officers in the first half year
PREVENT	Co-ordination of effort, sharing of best practice, data, fraud alerts and new threats. *COLLABORATION*	Implement the contract for Stevenage Borough Council to join the Herts *FraudHub in 2019.*	SAFS Manager/ Monitoring Officer	Pending agreement in second half year
		Review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA	Monitoring Officer	All agreed between SAFS and the Councils DP Officer
		Deliver the NFI 2018/19 Exercise	SAFS Mgr	Work ongoing- Progress good
		Work with DWP to deliver CTRS/HB joint working 2018/19 roll-out	SAFS Mgr/Shared R&B Manager	This now very much BAU at SBC
		Work with other organisations, including private sector, to improve access to data	SAFS Mgr	SAFS are working with HOOYU/ CIFAS/ SAS in 2019/20
	Have the highest levels of professional standards *COMPETENCE*	All SAFS staff will be fully trained and accredited	SAFS Mgr	All SAFS staff owrjing for SBC are ACFS Qualified
		All investigations will comply with relevant legislation and Council policies	SAFS Mgr	Managed by SAFS through CMS/PMDS/121 reviews
		SAFS will work with the LGA and Cabinet Office to support the roll out of a Counter-Fraud Profession	SAFS Mgr	Roll-out planned for April 2020
		SAFS will work with all relevant Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA	SAFS Mgr	Training provided on NAFN for front-line staff

PURSUE

CAPABILITY / CAPACITY	Activity	Responsible	Status
Ensuring the Counter-Fraud Measures are appropriate to the range of fraud risk. **CAPABILITY**	SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	SAFS Mgr/ S.151 Officer	Meetings with s.151 ongoing.
	SAFS will record and report on all fraud referred, investigated and identified	SAFS Mgr	All cases recorded on CMS
	SAFS will review fraud trends and new threats and report on these to Council officers	SAFS Mgr	Alerts issued and advice on referrals and outcomes
	The Shared Legal Service and Housing, HR and Debt Recovery Teams will seek to 'prosecute' offenders, apply sanctions, recover social homes and recover financial losses	Monitoring Officer	Relationship with Shared Legal Service is positive
Develop the right level of resources to deal with the level of fraud risk **CAPACITY**	The Council will review its ROI from SAFS Membership	S.151 Officer	s.151 Attends Champion/ Board/ AC Meetings
	SAFS will assist the Council in providing its Transparency Code (Fraud) Data annually	SAFS Mgr	Complete - published in Councils June 2019 AC Papers
	Reports for Audit Committee on all Counter Fraud activity	SAFS Mgr/ S.151 Officer	SAFS Reports included in Fwd Plan
	SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	SAFS Mgr	SAFS are involved in the FFCL Strategy re-write for 2020

s.151 Officer is Assistant Director- Finance & Estates
Monitoring Officer is Service Director- Head of Shared Legal Service

Key

Complete
In Place/ BAU
Commenced/ Under Review
Outstanding

KPI	Measure	Target 2019/2020	PROGRESS TO JULY 2019	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	Fees to SAFS £102k.	Transparent evidence to senior management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 1 FTE on call at Stevenage Borough Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit Committee. C. SAFS Attendance at Corporate Governance Groups.	A. FTE in post B. AC reports included in Fwd Plan. C. Meetings and R&B liaison ongoing	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases 2 Days. B. All other cases 5 days on average C. Provide compliance for 'Joint Working' with DWP/FES	A&B. Current performance 1 day on average for all referrals. C. JW with DWP in place	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN B. Membership of CIPFA Counter Fraud Centre C. NAFN Access/Training for relevant Council Staff D. 5 Fraud training events for staff/Members in year. E. Provide support to in-house TF Officer	A&B. NAFN/ CIPFA Membership. C. NAFN non-fraud training offered D. Training events being organised with HR. E. Liaison in place with Hsng Mgt to support TF role.	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. 100 - Fraud referrals from all sources to SAFS B. 60% of cases investigated and closed in year proved. C. 12 Social homes secured from sub-letting or other unlawful tenancy breaches. D. D. 100% Review of RTB Application.	A. Referrals to end September- 91 B. 65% (35 cases closed) C. 5 D. 100%	This target will measure the effectiveness of the service in promoting the reporting of fraud & Measure the effectiveness in identifying cases worthy of investigation.

6

Making better use of data to prevent/identify fraud.

A. Implement the Herts FraudHub for the Council.
B. Complete NFI 2018/2019 Reports

A. SBC in final tranche for joining the Hub in 2019.
B. N**FI Review ongoing**

Build a Hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.

Key

Complete
On-Target
Planned
Likely to Miss Target

Stevenage Borough Council
Audit Committee

12 November 2019

Shared Internal Audit Service –
Progress Report

Recommendation

Members are recommended to:
a) Note the Internal Audit Progress Report
b) Approve Amendments to the Internal Audit Plan as at 25 October 2019
c) Note the Status of Critical and High Priority Recommendations

Contents

1 Introduction and Background

<u>Purpose of Report</u>

1.1   To provide Members with:

   a) The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2019/20 Internal Audit Plan as at 25 October 2019.
   b) The findings for the period 1 April 2019 to 25 October 2019.
   c) The proposed amendments required to the approved Internal Audit Plan.
   d) The implementation status of previously agreed audit recommendations.
   e) An update on performance management information as at 25 October 2019.

<u>Background</u>

1.2   Internal Audit's Annual Plan for 2019/20 was approved by the Audit Committee at its meeting on 19 March 2019. The Audit Committee receive periodic updates against the Annual Internal Audit Plan.

1.3   The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that the internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

<u>Delivery of Audit Plan and Key Audit Findings</u>

2.1   As at 25 October 2019, 46% of the 2019/20 Audit Plan days have been delivered (calculation excludes contingency days that have not yet been allocated).

2.2   Final reports for the following audits and projects have been issued or completed so far this financial year:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Stevenage Museum	July 2019	Satisfactory	Two High, One Medium, Five Low/Advisory priority
Herts Home Improvement Agency (2018/19) *	July 2019	Limited	Seven High, Eight Medium, Three Low/Advisory priority
Cemeteries	August 2019	Satisfactory	Four Medium priority
Insurance	August 2019	Good	One Medium, One Low/Advisory priority
Rechargeable Works	Sept 2019	Good	One Medium priority

Safeguarding	Sept 2019	Good	Three Low/Advisory priority
Homelessness Reduction Act	Sept 2019	Good	None
Health & Safety	Oct 2019	Good	One Medium priority

* This was a Hertfordshire County Council led internal audit which has been distributed to the Council as a contributing partner of the Hertfordshire Home Improvement Agency.

2.3   The table below also summarises the position regarding 2019/20 projects as at 25 October. Appendix A provides a status update on each individual project within the 2019/20 Internal Audit Plan. Details of indicative start dates for the individual projects are also shown in Appendix C.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	7	19%
Draft Report Issued	7	19%
In Fieldwork/Quality Review	4	12%
In Planning/Terms of Reference Issued	8	22%
Allocated	8	22%
Not Yet Allocated	1	3%
Deferred/Cancelled	1	3%

Total	36	100%

Proposed Audit Plan Amendments

2.4   The audit of Land Charges, due to start during July 2019, has been cancelled and the audit days returned to contingency. This was due to Land Charges staff having insufficient availability.

Performance Management

2.5   The 2019/20 annual performance indicators were approved at the SIAS Board meeting in March 2019. Targets were also agreed by the SIAS Board for the majority of performance indicators.

2.6   The actual performance for Stevenage Borough Council against the targets that can be monitored in year is set out in the table below:

Performance Indicator	Annual Target	Profiled Target	Actual to 25 Oct 2019
1. Planned Days – percentage of actual billable days against planned chargeable days completed	95%	48% (160/333.5 days)	46% (152.5/333.5 days)
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects	95%	43% (15/35 projects)	40% (14/35 projects)
3. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100% (5 received) Note (1)
4. Number of Critical and High Priority Audit Recommendations agreed	95%	95%	100% (9 High agreed) Note (2)

Note (1) – 3 received so far in 2019/20 relate to 2018/19 audits.
Note (2) – 7 recommendations are from the Hertfordshire County Council led internal audit of the Hertfordshire Home Improvement Agency. This has been distributed to the Council as a contributing partner of the Agency.

Critical and High Priority Recommendations

2.7   Members will be aware that a Final Audit Report is issued when it has been agreed ("signed off") by management; this includes an agreement to implement the recommendations that have been made.

2.8   The schedule attached at Appendix B details any outstanding Critical and High priority audit recommendations.

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

2019/20 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Key Financial Systems – 74 days									
Main Accounting System (General Ledger)						8	Yes	0	Allocated
Debtors						6	Yes	0.5	In planning
Creditors						10	Yes	0.5	In planning
Treasury Management						6	Yes	0	Allocated
Payroll						10	Yes	0	Allocated
Council Tax						6	Yes	0.5	In fieldwork
NDR						6	Yes	0.5	In fieldwork
Housing Benefits						6	Yes	0.5	In fieldwork
Cash and Banking						6	Yes	0.5	In planning
Housing Rents						10	Yes	0	Allocated
Operational Audits – 122.5 days									
Health and Safety	Good	0	0	1	0	10	Yes	10	Final report issued
Sickness Absence Management						10	Yes	2.0	In planning
Facilities Management						6	Yes	5.5	Draft report issued
Rechargeable Works	Good	0	0	1	0	10	Yes	10.0	Final report issued
Insurance	Good	0	0	1	1	6	Yes	6.0	Final report issued
Garage Investment Programme						10	Yes	9.5	Draft report issued
Cemeteries	Satisfactory	0	0	4	0	6	Yes	6.0	Final report issued
Herts Home Improvement Agency						2	No	0	Not yet allocated
Town Centre Regeneration – SG1						12	Yes	1.0	In planning
Queensway/Marshgate Redevelopment						12	Yes	3.5	In planning
Recycling						10	Yes	9.5	Draft report issued
Stevenage Museum	Satisfactory	0	2	1	5	7	Yes	7.0	Final report issued

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

| AUDITABLE AREA | LEVEL OF ASSURANCE | RECS | | | | AUDIT PLAN DAYS | LEAD AUDITOR ASSIGNED | BILLABLE DAYS COMPLETED | STATUS/COMMENT |
		C	H	M	LA				
Homelessness Reduction Act	Good	0	0	0	0	10	Yes	10.0	Final report issued
Land Charges						1.5	Yes	1.5	Audit cancelled
Safeguarding	Good	0	0	0	3	10	Yes	10.0	Final report issued
Procurement, Contract Management and Project Management – 30 days									
Major Refurbishment Contract						10	Yes	0	Allocated
Procurement						10	Yes	9.5	Draft report issued
Housing Development Schemes						10	Yes	1.0	In planning
Risk Management and Governance – 12 days									
Risk Management						6	Yes	0	Allocated
Corporate Governance						6	Yes	0	Allocated
IT Audits – 24 days									
IT Service Shared Service Agreement						6	Yes	5.5	Draft report issued
Cyber Security Follow-up						6	Yes	0	Allocated
Information Management						6	Yes	1.5	In fieldwork
Project Management						6	Yes	1.0	ToR Issued
Shared Learning and Joint Reviews – 8 days									
Shared Learning						4	No	1.0	Through year
Joint Review – SAFS						2	Yes	0.5	ToR Issued
Joint Review – Building Control						2	Yes	0	In planning
Ad Hoc Advice – 3 days									
Ad Hoc Advice						3	No	0.5	Through year
Follow-up Audits – 10 days									
CCTV						5	Yes	4.5	Draft report issued
Street Cleansing						5	Yes	4.5	Draft report issued
Completion of 18/19 Projects – 4 days									
Various						4	Yes	3.5	Complete

APPENDIX A - PROGRESS AGAINST THE 2019/20 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Contingency – 16.5 days									
Contingency						16.5	No	0	Not yet allocated
Strategic Support – 46 days									
Annual Report and Head of Internal Audit Opinion 2018/19						3	Yes	3.0	Complete
Audit Committee						12	Yes	6.5	Through year
Client Liaison						10	Yes	5.5	Through year
Liaison with External Audit						1	Yes	0.5	Through year
Monitoring						10	Yes	4.5	Through year
SIAS Development						5	Yes	5.0	Through year
2020/21 Audit Planning						5	Yes	0	Allocated
SBC TOTAL		**0**	**2**	**8**	**9**	**350**		**152.50**	

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
1.	CCTV (joint review) 2018/19.	We recommend that an appropriate new Partnership Agreement between the current four CCTV Partner Authorities is drawn up and executed. It should clearly include the specific roles and responsibilities of the Partner Authorities. It should also clearly state the relationship the Partner Authorities have with Hertfordshire CCTV Partnership Ltd. and the function of that company in respect of the overall CCTV Partnership.	We will prepare an updated CCTV Partnership Agreement drafted through the CCTV Officer Management Board to be signed by all four Partner Authorities.	CCTV Officer Management Board.	31 March 2019. Revised to 30 September 2019.	January 2019. On track. March 2019. On track. May 2019. In progress. August 2019. In progress. October 2019. Approved by Joint Executive on 25 September 2019. Final document being completed by Legal Service for sealing.	Implemented.
2.	CCTV (joint review) 2018/19.	We recommend that all reporting arrangements for the Partner Authorities are formally reassessed, agreed and documented to ensure there is complete clarity and transparency of expectations and understanding across all interested parties regarding the need,	Authority reporting arrangements to be included as part of a revised Partnership Agreement, Shareholder Agreement and Terms of Reference as necessary.	CCTV Joint Executive, CCTV Officer Management Board and Company Board of Directors as appropriate.	31 July 2019. Revised to 30 September 2019.	January 2019. On track. March 2019. On track. May 2019. This will be captured as part of the partnership agreement. Revised deadline is 30 September 2019.	Implemented.

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		responsibility, frequency, timing, content, format and distribution of each report required.				August 2019. In progress. October 2019. Approved by Joint Executive on 25 September 2019. Final document being completed by Legal Service for sealing.	
3.	TSS Improvement Plan – Governance 2018/19.	Management should complete the review of the IT policies and tailor them to the needs of both Councils. The purchased IT policy software should be deployed without any further delay and the policies should be made available to all members of staff. Management should track and monitor staff attestation and responses. Furthermore, management should review and, where necessary, revise the Service's IT procedures so that they are consistent across both Councils. The procedures should	Meta - compliance must be fully implemented first to assure acceptance and compliance from staff and this cannot be rolled out till Azure-AD project is finalized. This project has been assigned to Project Manager Roxanne Owedele. Time-line as follows: Azure AD - end of May Implementation of Meta - Compliance – end of July Deployment of polices as written on intranet - as completed Deployment of policies via Meta-Compliance two a	ICT Strategic Partnership Manager.	Creation - April - August 2019 Deployment - November	May 2019. This is a new addition and the management response opposite is therefore the latest comment. August 2019. In progress. October 2019. Acceptable Usage Policy has been agreed by Staff Side. 4th Tier managers to be advised of this policy. Policy needs to be read before staff will be able to log in to their IT. HR have created a draft Working from Home Policy - awaiting advice regarding the Hub and requirements re staff working from home. It	Partially implemented – continue to monitor.

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APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		be documented and communicated to all members of staff.	month – Final completion November During that period policies will be confirmed and placed on the intranet, with a number that must be written or amended. To get staff fully compliant will require roll-out of Meta - Compliance. There are two classifications, policies and protocols; policies are documents which all staff need to adhere to and protocols are internal polices for ICT staff only. Policies: Acceptable Usage Policy – Written and gone to HR for consultation Data Protection Policy – Completed and on intranet Mobile Device Policy – In draft security team to approve ICT Monitoring Policy - Security team to write ICT Remote Working Policy - Security			was suggested at CGG that we may need an interim policy as the Hub is a while away and we currently have some home working happening already. Mobile Policy: In process of being written.	

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
			team/MGT team to write				
			Social Media Policy – Completed and on intranet				
			Data sharing policy (Contractors) - Security team to write				
			Protocols:				
			Security Breach response Protocol - Security team to write				
			Change Control Protocol – In draft				
4.	TSS Improvement Plan – Governance 2018/19.	Representatives from both Councils should agree a shared set of expectations for how technology will be used to achieve their respective strategic objectives. These expectations should form the basis for a defined IT Strategy for the Shared IT Service, which should include as a minimum: The expectations for the levels of service to be provided The metrics for monitoring the performance of the Shared IT Service.	ICT strategy & Roadmap are being written in collaboration with Microsoft Navigator consultancy project.	ICT Strategic Partnership Manager.	August 2019.	May 2019. This is a new addition and the management response opposite is therefore the latest comment. August 2019. In progress. October 2019. IT Strategy approved at October 2019 Executive	Implemented.

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		The performance of the Service should be reviewed on a routine basis by the ICT Partnership Board and measured against the defined metrics and key performance indicators.					
5.	Cyber Security - follow up 2018/19.	Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network.

Where there is a demonstrable need for a device to connect to the IT network, the Service should require:

The purpose for the connection has been recorded

Appropriate security controls have been enabled on the device connecting to the IT network

The period of time that the device will require the connection

All connections are | The Council has created a Security & Network Team who has been tasked to look at security / network tools. There is also a planned upgraded Office 365 and in particular Intune to manage all mobile (non-network connected) devices. The plan is to ensure that only known devices are allowed to access Council systems. | ICT Strategic Partnership Manager. | Network Tools July 2019.

Intune October 2019. | May 2019.
This is a new addition and the management response opposite is therefore the latest comment.

August 2019.
In progress.

October 2019.
It is very rate (if ever) that someone connects an external device to the IT network. The Zero Clients do not allow the transfer of data to anything plugged into it. | Partially implemented – continue to monitor. |

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		approved before being allowed to proceed. Devices connected to the IT network should be reviewed on a routine basis.					
6.	Cyber Security - follow up 2018/19.	There should be a record of the configuration of the Council's firewalls, which includes but is not limited to: The purpose of all of the rules The expected configuration and activity for each rule The member of staff that requested and approved the rule The configuration of the firewall should be reviewed on a routine basis. The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of security.	The Council has created a Security & Network Team who have been tasked to look at replacing the entire Firewall (and switch) estate. As part of this work all firewall configurations will need to be reviewed and recorded.	ICT Strategic Partnership Manager.	November 2019.	May 2019. This is a new addition and the management response opposite is therefore the latest comment. August 2019. In progress. October 2019. Firewalls to be replaced April 2020 due to financial and resource reasons	Not yet implemented – continue to monitor.
7.	Incident Management -	Management should update the Council's IT	We have started a project to install a	ICT Strategic Partnership	August 2019 – Microwave Link.	May 2019. This is a new addition	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
	follow up 2018/19.	disaster recovery plan to include the procedure for establishing all IT services at a single data centre. A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame. The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.	secondary Microware link between our data centres. This will give us a resilient link where either can be down, and connectivity remains. Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow for full capacity in the event on one data centre being of offline.	Manager.	January 2020 - VDI upgrade.	and the management response opposite is therefore the latest comment. August 2019. In progress. October 2019. This work is now progressing and is currently going through the tender process with a scheduled January 2020 implementation date.	
8.	Incident Management - follow up 2018/19.	Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre. A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen	Also, with our upgrade to horizon VDI, we are installing hardware which will allow either site to run 100% of capacity allowing the complete downing of one site for upgrade work but will of course allow for full capacity in the event on one data centre being of offline.	ICT Strategic Partnership Manager.	August 2019 – DR review. October 2019 - VDI upgrade. Revised to April 2020.	May 2019. This is a new addition and the management response opposite is therefore the latest comment. August 2019. In progress. October 2019. Expected completion for this work is now April 2020.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		within the expected time frame. The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.					
9.	Stevenage Museum 2019/20.	Outstanding actions on the 'Museum Operational Management Risk Reduction Plan' are closed down without further delay.	Already started, complete following next cycle of 1-2-1s.	Museum Curator.	October 2019.	August 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. Actions have been implemented and closed.	Implemented.
10.	Stevenage Museum 2019/20.	Access to the safe and petty cash is restricted and the keys to both the safe and petty cash tin are given to a nominated senior member of staff; Reimbursements for petty cash should be limited to a nominated senior member of staff.	Museum Curator / Senior Museum Officer to hold the petty cash key. If Senior Museum Officer is not at work, to hand over to another nominated member of staff (sign in book to be maintained).	Museum Curator.	July 2019.	August 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. All petty cash control requirements have been implemented.	Implemented.
11.	Herts Home Improvement Agency - joint review led by Hertfordshire	Governance structures, work streams and resources. In order to ensure that	Recruit project	Head of HHIA	Resource	September 2019.	Partially implemented –

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
	County Council (2018/19). *These recommendations and their implementation status are overseen and monitored by Hertfordshire County Council as the lead authority but are included here for Member information.*	operational systems, processes and governance structures can be assessed and re-modelled, where required, to support the HHIA in delivering key business objectives, we recommend that: - A formal project plan is produced to facilitate a review of existing systems and processes across the HHIA as a whole, with the intention of identifying any key change activities required (e.g. management information, KPI's, recruitment and retention). - The above plan should seek to promote a sufficiently robust review to identify both existing issues and longer-term changes required to existing models. - Work streams, with a specific purpose and lead officer, are established to accelerate delivery of any key business	resource (graduate trainee) to develop formal plan based on audit report and operational requirements identified by MA/SE. Plan to address current resource issues and financial objectives for the service. Formal plan developed using audit report recommendations and areas identified by MA as part of her orientation with service. Bi-monthly meetings with Deputy Chair and Chair of HHIA Board to update on progress/ RAG ratings and seek support for activities from Board Partners where required MA/SE to lead on all of actions, with input from Board. Workstreams felt not to be practical except perhaps in the areas identified for Board consideration.	and Head of Hertfordshire Equipment Service.	identified and in post July 2019. To be submitted for Board approval by Autumn 2019. Complete.	This is a new addition and the management response opposite is therefore the latest comment. October 2019. Verbal update to be provided.	continue to monitor.

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		change activities required, with partners providing the required resources and professional expertise to support or deliver the activities - To provide sufficient capacity to oversee and support performance and business change activities, consideration should be given to establishing an operational oversight group (a sub-set of the Board). Where such a group is established, the formal HHIA Board should receive high level reports on progress (e.g. RAG ratings) to retain the Board's ability to monitor progress.					
12.	Herts Home Improvement Agency 2018/19. *As above.*	Recruitment and business continuity. The HHIA should review the current business continuity and succession planning arrangements in place to ensure that the service can continue to function in	New Senior Management structure in place: Head of Service reporting to Head of Hertfordshire Equipment Service.	Head of HHIA and Head of Hertfordshire Equipment Service (HES).	In place.	September 2019. This is a new addition and the management response opposite is therefore the latest comment.	Partially implemented – continue to monitor.

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		the absence of key officers. Given the existing recruitment difficulties, the Board should critically review whether the existing pay grading structure is sufficient, or indeed whether recruitment difficulties relate to underlying issues in respect of the structure, job roles and responsibilities within the Agency. The above recommendation is critical as whilst the HHIA may be able to secure sufficient staff capacity through the use of temporary staff, this is not financially sustainable within the business model, nor does it provide the required workforce stability that the HHIA requires to provide a consistent level of service and drive through key business change activities.	Longer term continuity to be reviewed as part of the review project. Put in place staffing to support the service whilst review is undertaken: - MA overseeing Operations team but not undertaking operations tasks - Operations Manager replaced by Senior Technical Officer (Agency) with sole focus on progressing projects - SE acts as cover/support for MA - Business Development Manager resigned – to be replaced by Business Analyst (fixed term 1 year) Work with HR colleagues to review current structure, with particular focus on technical roles, although there needs to be an acceptance that there will be short-term reliance on agency staff in technical roles until		In place/ in progress. Oct/Nov 2019.	October 2019. Verbal update to be provided.	

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
			these can be reviewed. Undertake Financial Analysis to understand potential to grow staffing with revenue Review of processes to improve productivity and stop blockages. To be incorporated in recovery plan.		Oct/Nov 2019. In progress.		
13.	Herts Home Improvement Agency 2018/19. *As above.*	Management information systems. Further training should be provided to HHIA staff to ensure that the case management system is completed and updated in line with expectations. Regular data quality checks should be performed on the case management system to obtain assurance that records are updated in an accurate and timely manner (including a review of data exceptions – e.g. blank fields). A mapping exercise should be performed to identify the key fields within the case	Undertaking review of CMS system Process mapping exercise completed to understand how staff currently use the system and where changes need to be made Identification of training needs for staff and resource to undertake these. Training to include inputting and quality of data. Super-user/ system manager to be identified to oversee data checks, develop the system e.g. for	Head of HHIA and Business Improvement Manager.	In progress completion by August 2019. Mapping complete. Further recommendation by Aug 2019. By August 2019 Training by Oct 2019.	September 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. Verbal update to be provided.	Partially implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		management system that support key monitoring and KPI routines, with data quality checks focusing in particular on these areas. We also recommend that HCC Finance is provided with access to a reporting suite within the case management system, sufficient to support the production of financial monitoring / Board reports.	mobile working, and work with Finance to develop reporting suite. Review access to CMS/ other reporting suites for Finance to allow for improved financial reporting or define how this will be achieved e.g. Business Analyst to report on non-SAP data.				
14.	Herts Home Improvement Agency 2018/19. *As above.*	Financial reporting and monitoring. A formal review of the current format, approach and underlying information to support reporting of financial position of the HHIA should be undertaken. This should include: - Review of the structure of financial performance reports, in particular ensuring that financial projections are clearly linked to performance and other key information (such as staff capacity, job	Review Finance reporting with the Finance team. Utilise Finance Graduate capacity to put in place systems to capture staff capacity. Review 2018/19 data	Head of HHIA, Head of HES and Head of Accountancy Services.	September 2019.	September 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. Verbal update to be provided.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

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		over-runs etc). - Where assumptions are being included, in particular significant increases in activity, appropriate identification of key risks to their achievement should be included. - Clearer evidence should be provided of existing performance of the HHIA against anticipated performance profiles (financial and non-financial), with clear statements provided of corrective actions being taken where targets are not being met. - A mapping process should be considered between the financial information required to populate Board Reports and the sources where this could be derived from, with an assessment also made on the reliability of that information. - Finally, further clarity should be provided on the respective roles	to identify activity trends and predict for 2019/20. Identify current risks and report on those to Board. Develop KPI projections and report to Board where action is being taken to address issues or meet/exceed projections. Finance Graduate to work with CMS Project Manager to look at financial reporting within both CMS and SAP to improve accuracy and reliability of reporting. Review of above actions when complete to agree on future reporting protocol. Consider potential options such as preparation of reports by Business Analyst or Finance having access to		September 2019. November 2019. September 2019. December 2019.		

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

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		and responsibilities of HCC Finance and HHIA management in relation to creating financial / performance reports for the HHIA Board. Should reports continue to be substantially prepared by Finance, these should be subject to final authorisation by the Head of Service or relevant Assistant Director to reduce the risks of a lack of future ownership.	CMS/ financial spreadsheets.				
15.	Herts Home Improvement Agency 2018/19. *As above.*	Cost recovery model. The HHIA seeks further clarification (in writing) from the relevant government department in relation to the restrictions on recovering overheads from the DFG. This should include the position on whether: - It is permissible to recover general staff costs that are relevant to delivering the service, but which cannot be attributed to a specific project; - The current design and project management fee	Meet with Foundations to seek relevant advice and understand where written assurances can be sought in relation to staff costs and fees. Use information obtained to inform project plan e.g. develop policy concerning warranties. Project support to work with SE/MA and Business Intelligence to develop timesheet tracker system for staff activities, similar	Head of HHIA and Head of HES.	July 2019. Oct/Nov 2019. October 2019.	September 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. Verbal update to be provided.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

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		charges, which by their nature are set at a level to recover overheads, are permissible within the grant conditions; and - The cost of extended warranties can be funded through the DFG, given the wider value for money implications if this not permissible. Given the above comment on staff overhead costs, we also recommend that the HHIA introduce more formal systems to evidence and monitor the chargeable activities performed by staff. We highlight that the implementation of a timesheet system would also ensure that appropriate evidence is available to support claims made against the DFG and will allow an increased level of management information to be produced on staff productivity. Should the HHIA not be financially viable without 100% recovery	to those in use by SIAS and HCC HR. These will more accurately track how resources are utilised. Review charges for works that are aborted – currently no costs are recovered so charging scheme to be put in place (if deemed permissible). Review viability of revenue model after the above actions have been taken and analysis made. Also consider potential revenue in light of review of discretionary policy/ resources needed.		October 2019. End of 2019/20 financial year.		

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No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		of all staff costs or overheads through the DFG, consideration should be given as to whether this issue could be resolved through DFG funding being retained by the individual partners, allowing the HHIA to invoice as a third party, although further legal and finance advice would be required. Alternatively, the HHIA would need to investigate whether it is viable to increase the volume of non-DFG funded adaptations, thereby providing a separate income route to address any shortfalls in costs that are recoverable from the DFG.					
16.	Herts Home Improvement Agency 2018/19. *As above.*	Site visits/inspections. We recommend that the service create more formal guidelines on the extent of monitoring visits required, based on the complexity and length of works. As part of this it should be a	Develop agreed process for pre- and post-works site meetings and sign off with expectations for interim site visits for longer works Ensure meetings are recorded and	Head of HHIA.	January 2020. January 2020.	September 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019.	Not yet implemented – continue to monitor.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

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		minimum requirement that pre-start site meetings and completion / sign off meetings are held for all projects, irrelevant of length / complexity, with these involving the client, HHIA and the Contractor. Finally, we recommend that more stringent monitoring is undertaken by management to ensure that such standards are maintained.	captured on CMS system so information can be reported on Monitoring undertaken by Business Analyst (subject to recruitment) as part of reporting process.		January 2020.	Verbal update to be provided.	
17.	Herts Home Improvement Agency 2018/19. *As above.*	Post work completion sign off/certification. The HHIA strengthen the existing processes for signing off completed works, ensuring that there is appropriate evidence that the HHIA, as project managers, have visited and signed off all works that they are responsible for project managing as complete and to standard. We also recommend that a "schedule of defects" is completed	To be incorporated in the above. Schedule of defects to be added. Payments not to be made until client/HHIA are satisfied that works are completed to the agreed standard.	Head of HHIA.	January 2020. In progress.	September 2019. This is a new addition and the management response opposite is therefore the latest comment. October 2019. Verbal update to be provided.	Not yet implemented – continue to monitor.

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (25 October 2019)
		for all projects (even if there are none) and that this is retained on the CMS. Where issues are identified there should be formal processes in place to ensure that these have been addressed prior to the invoice being paid (or a retention amount held back).					

APPENDIX C – AUDIT PLAN ITEMS (APRIL 2019 TO MARCH 2020) – INDICATIVE START DATES AGREED WITH MANAGEMENT

Apr	May	Jun	July	Aug	Sept
2018/19 Projects Requiring Completion **(Complete)**	Safeguarding **(Final Report Issued)**	Homelessness Reduction Act **(Final Report Issued)**	Health and Safety **(Final Report Issued)**	Street Cleaning (follow up) **(Draft Report Issued)**	IT Shared Service Agreement **(Draft Report Issued)**
Insurance **(Final Report Issued)**	Rechargeable Works **(Final Report Issued)**	Recycling **(Draft Report Issued)**	Land Charges **(Cancelled)**	CCTV (follow up) **(Draft Report Issued)**	Garage Investment Programme **(Draft Report Issued)**
Cemeteries **(Final Report Issued)**	Facilities Management **(Draft Report Issued)**		Procurement **(Draft Report Issued)**		Town Centre Regeneration – SG1 (In Planning)
Stevenage Museum **(Final Report Issued)**					

Oct	Nov	Dec	Jan	Feb	Mar
Housing Development Schemes (In Planning)	Council Tax (In Fieldwork)	Payroll (Allocated)	Risk Management (Allocated)	Corporate Governance (Allocated)	Herts Home Improvement Agency (Not yet allocated)
Cash & Banking (In Planning)	Business Rates (In Fieldwork)	Debtors (In Planning)	Housing Rents (Allocated)	IT Cyber Security (follow up) (Allocated)	
Queensway/Marshgate Redevelopment (In Planning)	Housing Benefits (In Fieldwork)	Creditors (In Planning)	Main Accounting (Allocated)	IT Project Management (TOR Issued) (c/f from June)	
IT Information Mgmt (In Fieldwork) (b/f from Nov)	Major Refurbishment Contract (flat blocks) (Allocated)	Treasury Management (Allocated)		Sickness Absence Management (In Planning) (c/f from July)	

Assurance Level	Definition
Good	The design and operation of the internal control framework is effective, thereby ensuring that the key risks in scope are being well managed and core objectives will likely be achieved. There are minor reportable audit findings.
Satisfactory	The internal control framework is largely working well in managing the key risks in scope, with some audit findings related to the current arrangements.
Limited	The system of internal control is only partially effective, with important audit findings in key areas. Improvement in the design and/or operation of the control environment is necessary to gain assurance risks are being managed to an acceptable level, and core objectives will be achieved.
No	The system of internal control has serious gaps, and controls are not effective in managing the key risks in scope. It is highly unlikely that core objectives will be met without urgent management intervention.

Priority Level		Definition
Corporate	**Critical**	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	**High**	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low / Advisory	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

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STeVenage
BOROUGH COUNCIL

Meeting:	**Audit Committee / Executive / Council**	**Agenda Item:**
Portfolio Area:	Resources	
Date:	**12 November / 20 November / 11 December 2019**	

Financial
security

2019/20 MID YEAR TREASURY MANAGEMENT REVIEW

NON-KEY DECISION

Author	– Belinda White	Ext No. 2515
Contributors	– Lee Busby	Ext No. 2730
Lead Officer	– Clare Fletcher	Ext No. 2933
Contact Officer	– Clare Fletcher	Ext No. 2933

1. PURPOSE

1.1 To update members on the Treasury Management activities in 2019/20 and review effectiveness of the 2019/20 Treasury Management and Investment Strategy including the 2019/20 prudential and treasury indicators.

2. RECOMMENDATIONS

2.1 That subject to any comments from Executive and the Audit Committee, recommend to Council to approve the 2019/20 Treasury Management Mid-Year review.

2.2 That subject to any comments from Executive and the Audit Committee, recommend Council to approve the latest approved Countries for investments (Appendix D).

2.3 That the updated authorised and operational borrowing limits are approved (paragraph 4.4.7)

2.4 That the updated MRP policy is approved (paragraph 4.4.10 and Appendix E)

3. BACKGROUND

3.1. This report covers one of three reporting requirements under the Prudential and Treasury Management Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the other reports being;

- Annual Treasury Strategy (in advance of the year) (last reported to Council 27 February 2019)

- Annual Treasury Management Review after the year end (2018/19 was reported to Council 16 October 2019)

3.2 In December 2017, CIPFA revised the Code to require, all local authorities to report on:
- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

These elements are covered in the annual Capital Strategy reported to Council in February each year.

3.3 This report summarises:

- Capital expenditure and financing for 2019/20;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Reporting of the required prudential and treasury indicators, including the impact of the expenditure on the Council's underlying indebtedness (the Capital Financing Requirement);
- Update on the Treasury Management Strategy Position;
- An economic update for the first part of 2019/20.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The Council's Capital Expenditure and Financing 2019/20

4.1.1 Capital expenditure[1] can be financed either by capital resources the Council has on its balance sheet (e.g. capital receipts & capital grants) or by making a revenue contribution to capital. If sufficient capital resources are not available to fund the expenditure the council would need to borrow to meet the funding gap. This borrowing may be taken externally in new loans or internally from cash balances held by the council (see also 4.3.3). The need to borrow is measured and reported through the prudential indicators.

4.1.2 The Treasury Management Strategy and Prudential Indicators for 2018/19 were originally approved by Council on the 27 February 2019. Since then, capital budget changes have been approved and the Prudential Indicators updated in the 2018/19 Annual Treasury Management Review (approved by Council 16 October 2019). The Treasury Management Mid-Year Review Indicators have

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[1] Council expenditure can be classified as capital when it is used to purchase assets with a life of more than one year, exceeds £5,000 in value and meets the guidelines laid out in CIPFA accounting practises.

been updated based on the 1st quarter capital programme reported to Executive (11 September 2019).

4.1.3 Table One (shown below) shows the original capital programme, the revised capital programme (approval Executive 11 September 2019) and financing.

Table One: 2019/20 Capital Expenditure and Financing		
	2019/20 **Original Capital Strategy (Council February 2019)** **£'000**	**2019/20** **Revised Mid-Year Review (1st Quarter Capital Strategy - Executive September 2019)** **£'000**
Capital Expenditure:		
General Fund Capital Expenditure	32,217	31,423
HRA Capital Expenditure	47,792	33,706
Total Capital Expenditure	**80,009**	**65,129**
• Capital Receipts	(12,537)	(7,383)
• Capital Grants / Contributions	(10,432)	(12,360)
• Capital Reserves	(1,606)	(2,427)
• Revenue contributions	(13,951)	(13,142)
• Major Repairs Reserve	(22,210)	(9,018)
Total Resources Available	**(60,736)**	**(44,330)**
Capital Expenditure Requiring Borrowing	**(19,273)**	**(20,799)**

4.2   The Council's overall borrowing position.

4.2.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR)[2]. Whether physical borrowing is taken out depends on the level of cash balances held by the Council. The treasury service, manages the Council's cash position to ensure sufficient cash is available to meet the capital payments, based on the Capital Strategy and Treasury Management Strategy. This may be through internal borrowing from utilising cash balances held by the Council in the short to medium term or external borrowing such as using the Government, through the Public Works Loan Board (PWLB) or the money markets).

4.2.2 The 2019/20 Capital Strategy identified the need for borrowing for financing elements of the capital programme. The Council has not undertaken any new external borrowing to date in 2019/20.

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[2] Capital Financing Requirement (CFR) represents the amount of debt the Council needs to/has taken to fund the capital programme after debt repayments and Minimum Revenue Provision (MRP) are taken into account

4.2.3 On 9 October 2019 the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps[3] on top of the current margin of 80bps. The margin of 80bps had been used for all Council project appraisals including the HRA business plan, Wholly Owned Housing company and investment portfolio. There was no prior notification to the increase and it now means that every local authority has to reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing. Representations have been made to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward e.g. housing, should not be subject to such a large increase in borrowing. Council schemes are now being re-assessed in light of this unscheduled increased by the Treasury.

4.2.4 In 2019/20 the average cash holding between April and September was £63Million (£64Million April to September 2018/19). While investment returns are low the "internal" borrowing rate is significantly cheaper than the cost of external borrowing and remains a prudent use of the Council's cash balances, unless it is prudent to secure long term borrowing in accordance with the HRA business plan.

4.2.5 As at the 30 September 2019 the Council had total external borrowing of £205,351,003 (projected to increase to £225,747,601 by 31 March 2020 if all approved borrowing is taken as per the revised capital programme approved by Executive 11 September 2019.

4.2.6 The General Fund has £2,677,103 external borrowing with the PWLB. When expenditure is incurred on the purchase of commercial property the decision to take out the remaining balance of approved borrowing (£15million) will be reviewed. To accelerate the purchase process, agents were appointed. In the meantime other purchase options are also currently being pursued. Updates will be provided in the Capital Strategy updates reported to Executive.

4.2.7 The HRA has external borrowing of £202,674,000 with the PWLB, with the majority of the HRA debt (£194,911,000) taken out in March 2012 to finance the payment required to central government for self-financing. This debt was arranged over a number of loans at fixed rates and with varying maturities and is not impacted by the recent increase in PWLB rates.

4.2.8 The HRA borrowing includes £7,763,000 used to fund the pre 2012 decent homes programme. This debt was called 'supported borrowing' under the former HRA subsidy system but now forms part of the HRA debt portfolio. The remaining difference between the HRA debt portfolio and CFR at 31 March 2020 is the result of asset transfers from General Fund to the HRA (£1,598,500) and HRA internal borrowing prior to self-financing (£2,550,480).

4.2.9 Since the lifting of the HRA Debt Cap, which was formerly £217,685,000, HRA borrowing limits are based on affordability rather than legislation. These limits are now reviewed as part of the annual HRA Business Plan review, the latest review of which is currently being undertaken.

[3] 100bsp is 100 basis points, the equivalent of 1%.

4.3   Cash balances and cash flow management

4.3.1 As at 1 April 2019 cash balances held by SBC totalled £54.1Million. Balances are forecast to increase as the lifting of the HRA debt cap means that budgeted use of resources to support the capital programme can be replaced with external borrowing. The revised cash balance expected to be held as at 31 March 2020 is £63.7Million. The breakdown of these cash balances is shown in the following chart

Chart One: Cash Balances expected as at 31 March 2020
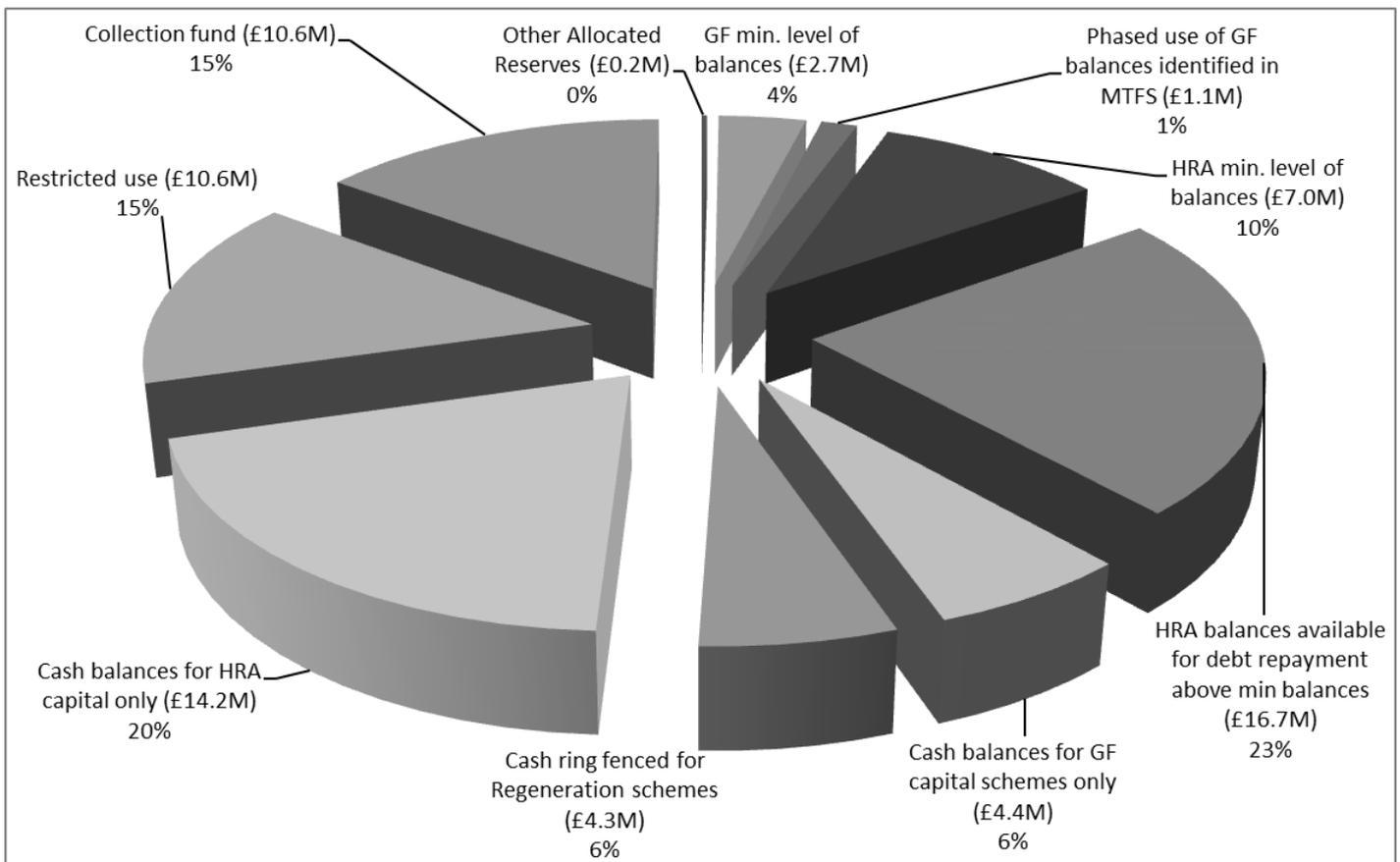
4.3.2 These cash balances can be further analysed between allocated, held for statutory requirements and held for third parties. This identifies that of the £72Million, all cash resources have been allocated, so unless allocated reserves are no longer needed in the future, there are **currently no cash resources available** for new projects. In addition the capital strategy requires external borrowing and currently £401k of General Fund capital schemes are on hold pending matching capital receipts.

Anaylsis of cash balances
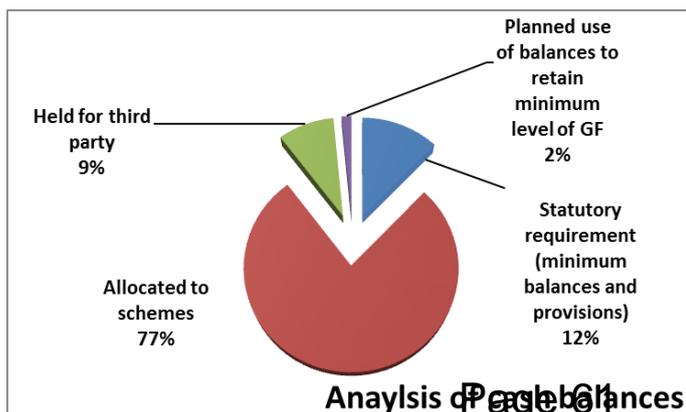
4.3.3 While cash balances are high waiting for the schemes to be delivered Currently balances are expected to be £63.7Million by 31 March 2020 (cash balances £71.8M less internal borrowing of £8.1M), but is dependent on current spending projections and approved borrowing included in the capital strategy and current HRA business plan (General Fund - £14.053million and HRA - £6.746Million) for 2019/20. Decisions as to when this borrowing is actually taken will be considered based on cash balances and anticipated interest rates.

4.3.4 The forecast investment balances to 2022/23 has been updated to reflect the changes in funding the HRA capital programme and the use of external borrowing instead of revenue contribution.

Chart Three: Investment Balances forecast
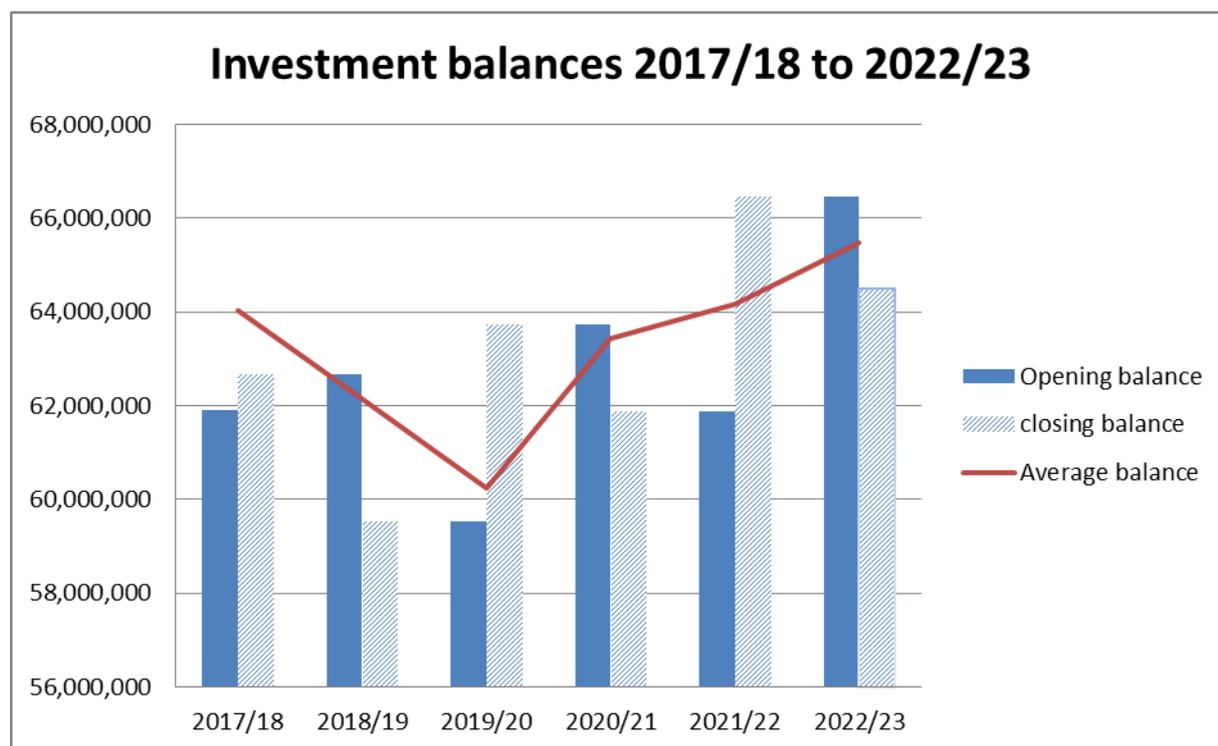
4.4 Prudential Indicators

4.4.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators, (which affordability limits), are included in the approved Treasury Management Strategy and an update on those indicators is included in this report. During the year to date, the Council has operated within the treasury and prudential indicators set out in that strategy. Further explanation of key prudential indicators is given below and is also shown in Appendix A.

4.4.2 **Borrowing and the 2019/20 Capital Financing Requirement (CFR)** - The Council's underlying need to borrow for capital expenditure is referred to as the Capital Financing Requirement (CFR). The Council's original estimate and latest CFR for the year is shown below. The estimate of the CFR for 2019/20 has been updated for the capital strategy approved by Members (11 September 2019 Executive) and for early discussion with external auditors

regarding the accounting treatment of the Queensway lease. Further updates may be required pending completion of the external audit.

4.4.3 The HRA Business Plan will be reported to the November Executive and will include new proposed borrowing following the lifting of the HRA debt cap. The CFR and prudential indicators included in this report have been updated to reflect these proposed changes.

Table Two : Capital Financing Requirement 2019/20			
CFR Calculation	**2019/20** **Original: Annual TM Strategy (Approved Council February 2019)** **£'000**	**2019/20** **Revised: Annual TM Review of 2018/19 (Approved Council October 2019)** **£'000**	**2019/20** **Revised: Mid-Year Review (Executive November 2019)** **£'000**
Opening Balance	**223,488**	**221,941**	**235,869**
Closing Capital Financing Requirement (General Fund)	35,841	35,841	41,967
Closing Capital Financing Requirement (Housing Revenue Account)	210,729	210,729	214,224
Closing Balance	**246,570**	**246,570**	**256,191**
Increase/ (Decrease)	**23,082**	**24,629**	**20,322**

4.4.4 Total debt repayments made in the first half of 2019/20 relating to principle on PWLB General Fund loans were £131,579 (paid in August). A further repayment of £131,579 will be made in February 2020 in relation to General Fund debt.

4.4.5 The Council could further reduce its CFR by:

- The application of additional capital financing resources (such as unapplied capital receipts) if available; or
- Charging more than the statutory revenue charge (Minimum Revenue Provision (MRP)) each year through a Voluntary Revenue Provision (VRP) which would increase the cost to the General Fund

4.4.6 The **net borrowing position** of the Council at 31 March 2020 is estimated to be **£177.6M** (total borrowings/loans of £241.3M less total investments held of £63.7M). This updated position includes anticipated new borrowing included in the updated HRA business plan, reported to Executive in December.

4.4.7 The **operational boundary and authorised limit** refer to the borrowing limits within which the treasury team operate. To date there have been **no breaches** of either limit in 2019/20.).

4.4.8 As raised in the Treasury Management report to Council, at the time of publication of this report the external audit of the 2018/19 accounts had yet to be completed. Borrowing limit changes are required following the audit due to technical accounting treatment requirements and this has been reflected in changes to the opening CFR (para 4.4.2). Any further changes following the completion of the external audit will be reported to Members in subsequent reports. These changes do not increase any borrowing, and do not increase interest costs or MRP costs to the General Fund. The changes just relate to technical accounting treatment and there have been no breaches in the operational or authorised borrowing limits in 2018/19.

4.4.9 Further to the lifting of the debt cap and treatment of the Queensway lease, both limits have been updated and officers propose a revision of the operational and authorised borrowing limits as shown in Appendix A.

4.4.10 **Minimum Revenue Provision** (MRP)[4] – In 2019/20 the MRP charged to the General Fund will be £622,324, based on previous years' borrowing. As mentioned previously Officers have undertaken a MRP review, specifically asset lives used in calculating MRP. Based on revised asset lives an underpayment of £11,812 has arisen and officers propose a voluntary MRP is made in 2019/20. As the current MRP policy is applied retrospectively the other changes to MRP will be implemented in 2020/21 and have been incorporated into the 2020/21 budget setting process.

4.4.11 MRP needs to be made regardless of whether actual external borrowing has been taken and hence differs from the treasury management arrangements, the latter considers utilising cash balances when borrowing rates are higher than investment interest rates.

4.4.12 In the Annual Treasury Management Review of 2018/19, approved by Council in October 2019, Officers recommended that the MRP policy should be reviewed in light of the investments being made and possible extension to the useful life of certain assets. The review has been concluded and took into account the freehold/leasehold classification of the asset and investment decisions relating to that asset. The updated MRP policy is shown in Appendix E. Should Members approve the change, the additional income will be available to support regeneration schemes in the future. The updated MRP policy will become operational from 2020/21 with budget changes incorporated into the 2020/21 budget setting process for the General Fund (HRA is unaffected by MRP).

4.4.13 The **ratio of financing costs to net revenue stream** is equal to General Fund interest costs divided by the General Fund net revenue income from Council Tax and RSG/NDR. For 2019/20 this indicator has changed due to changes to MRP, re profiling of garages business plan and the revised capital programme figures are shown in Appendix A.

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[4] MRP- The Council must base its borrowing decisions in accordance with the Prudential Code which requires the Council to demonstrate a need to borrow and to show the cost of that borrowing for the General Fund is affordable. The Council's MRP policy, as required by CIPFA guidance, is approved annually by Council as part of the Treasury Management Strategy. The calculation of MRP is based upon prior years' borrowing requirement and the life of the assets for which borrowing was required.

4.4.14 The treasury management indicators for 2019/20 onwards have been calculated based on the 1st quarter capital programme reported to Executive 11 September 2019. There will be subsequent updates to the capital programme including the capital bidding process for the period 2020/21 to 2024/25 and as such the data relating to future years is indicative only and will be subject to change. The full list of Treasury Prudential Indicators is shown in Appendix A.

4.5 Update on Treasury Management Strategy Position 2019/20

4.5.1 The Council's debt and investment position is managed by the treasury management section to ensure adequate liquidity for revenue and capital activities. In addition, investment decisions are based on the security of the investments and spread over a number of counter parties to manage the Council's exposure to risk.

4.5.2 The Council's **average investment returns** are modest due to historically low Bank of England Base Rate which is currently 0.75% and the risk appetite in the treasury management strategy. As at 30 September 2019 the 2019/20 average rate of interest being earned on investments was 0.98% (compared to 0.86% earned in 2018/19). This exceeded the 7 day LIBID benchmark rate of 0.57% (source: LINK Asset Services 30-9-19).

4.5.3 While costs for loans of between eight and ten years are around 2.38% - 2.50% (as at 17 October 2019 post PWLB increase) it is still prudent to utilise the Council's cash balances (as shown in paragraph 4.3.1) for short-term internal borrowing. However, PWLB borrowing costs have increased and are forecast to increase and officers will be determining whether it may be prudent to take some borrowing at lower interest rates based on the forecast reduction of future cash balances and borrowing identified in the HRA business plan. The decision and timing of when to borrow is being monitored by officers.

4.5.4 The Council's treasury position for the first half of year was as follows;

Table three Treasury Position 2019/20						
	30 Sep 2019 Principal £'000s	Rate / Return %	Average Life (Yrs)	31 Mar 2020 Principal £'000s	Rate / Return %	Average Life (Yrs)
Fixed rate loans - PWLB	205,351	3.37	15	205,220	3.37	16
Queensway Lease				13,928		
General Fund Prudential Borrowing				13,651		
HRA Borrowing				8,556		
Total Borrowing	**205,351**	**3.37**	**15**	**241,354**	**3.37**	**16**
CFR				257,441		
Over/(under) borrowing*				(16,087)		
Investments Portfolio	**61,750**	**0.98**		**63,741**	**0.93**	

financed by internal borrowing

4.5.5   The maturity structure of the debt portfolio was as follows (see also Appendix B):

Table four Maturity of Debt Portfolio for 2018/19 and 2019/20		
Time to maturity	31 March 2019 Actual £'000's	30 September 2019 Actual £'000's
Maturing within one year	263	263
1 year or more and less than 2 years	263	263
2 years or more and less than 5 years	527	395
5 years or more and less than 10 years	28,556	28,556
10 years or more	175,874	175,874
Total	**205,483**	**205,351**

4.5.6   There are two investments with **maturities over one year** as detailed below:

Counterparty	Country	Rating	Deposit amount	Start date	Maturity on
Great Yarmouth BC	UK	AA	2,000,000	16/05/2018	17/05/2021
Barnsley Metropolitan Borough Council	UK	AA	2,700,000	15/09/2017	15/09/2021
			4,700,000		

4.5.7   All other investments held during the first half of 2019/20 are due to mature within one year. A summary of the Council's exposure to fixed and variable rate investments is shown below in Table Five. (See also Appendix B).

Table Five : Fixed and Variable Rate Investment Totals		
	31 March 2019 Actual £'000's	30 September 2019 Actual £'000's
Fixed rate principal	46,210	42,000
Variable rate principal	7,925	19,750
Total	**54,135**	**61,750**

4.5.8   Since the last Treasury report, no further Money Market funds have been added to the portfolio, however a number of additional funds are being considered to increase the available pool of investment options.

4.5.9   There have been **no breaches** of treasury **counter party limits,** with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties and no funds have been placed with the Debt Management

Office (DMO) during 2019/20, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy are working

4.5.10 The use of "Ultra Short Dated Bond" (USDB) funds was approved in February 2017. No investments have been made to date with USDB funds.

4.5.11 The updated list of "Approved Countries for Investments" is detailed in Appendix D.

4.5.12 **Money Market Fund Regulatory Change** took place in early 2019, and Liquidity (non-government) Funds have been converted from Constant Net Asset Value (CNAV) funds to Low Volatility Net Asset Value (LVNAV) pricing. Government-type funds will remain as "CNAV" funds under the new regulations. This change has not impacted on the existing treasury Management strategy.

4.5.13 As part of the Council regeneration programme and financial security objectives officers have establishing special purpose vehicles (SPV) to deliver regeneration in the town and to improve the offer in the private rented sector. These SPV's have included a Limited Liability partnership and a wholly owned company. As completely separate legal entities the board of Directors of the SPV needed to delegate authority for the treasury management function to the Council, for officers to invest monies on behalf of the SPV's subject to Director's delegation. Any sums invested on behalf of theses SPV's are to be done in accordance with the Councils own treasury management policies.

4.6 Economic Review & Interest Rate Outlook

4.6.1 **UK Growth**
The first half of 2019/20 saw a slowdown in UK economic growth due to Brexit uncertainty. In its Inflation Report of 1 August, the Bank of England was downbeat about the outlook for the UK economy. The Monetary Policy Committee (MPC) meeting of 19 September reemphasised their concern about the downturn and that prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy.

4.6.2 **Inflation and Bank Rate**
CPI has been close to the Bank of England's target of 2% during 2019, but fell to 1.7% in August. It is thought likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. The MPC has left Bank Rate unchanged at 0.75% in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC indicated concern about the outlook for both the global and domestic economies. The September MPC meeting showed increased concern about world growth and the effect that prolonged Brexit uncertainty is likely to have on growth.

4.6.3 **Wage inflation**
Unemployment continued at 3.8% based on the Independent Labour Organisation measure in July and the participation rate was 76.1%. With unemployment continuing to fall, employers still have difficulty filling job vacancies with suitable staff. Wage inflation picked up to 3.9% in June before easing back slightly to 3.8% in July, (3 month average regular pay, excluding

bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%.

4.6.4 **Eurozone Economy**
The downturn in Eurozone growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels "at least through to the end of 2019". However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5. It is considered doubtful whether this loosening of monetary policy will have much impact on growth and the ECB stated that governments will need to help stimulate growth by fiscal policy.

4.6.5 **Brexit**
Parliament has carried a bill to delay Brexit until 31 January. At a local level, possible Brexit issues are raised through the Brexit working group. A Brexit action plan and Brexit risk register is maintained and officers are working with local businesses, community and voluntary groups.

4.6.6 The Council has registered with HMRC's Transitional Simplified Procedures to simplify import procedures should we procure goods from the EU post Brexit. Mitigation plans have been put in place for contracts which may be affected by Brexit and continuity plans have been reviewed for service areas including fuel supplies.

4.6.7 Officers have contacted treasury advisors who have advised that the placing of investments (including Amundii based in Luxembourg) are unaffected by Brexit.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is of a financial nature and reviews the treasury management function for 2019/20 to date. Any consequential financial impacts of the Strategy will be incorporated into the Capital Strategy updates and subsequent Quarterly budget monitoring reports.

5.2 Legal Implications

5.2.1 Approval of the Prudential Code Indicators and the Treasury Management Strategy Indicators are intended to ensure that the Council complies with relevant legislation and best practice.

5.3 Risk Implications

5.3.1 The current policy of not borrowing externally only remains financially viable while cash balances are high and the differentials between investment income and borrowing rates remain. Should these conditions change the Council may need to borrow at higher rates which would increase revenue costs.

5.3.2 There is continued uncertainty regarding Brexit negotiations and the possibility of a "no deal" exit. SBC's approach to Brexit is that it is treated as a business continuity issue with appropriate cross-checking carried out with other members of the Hertfordshire Resilience Forum.

5.4 Equalities and Diversity Implications

5.4.1 This purpose of this report is to review the implementation of the Treasury management policy in 2019/20. Before investments are placed with counter parties the Council has the discretion not to invest with counter parties where there are concerns over sovereign nations' human rights issues.

5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

BACKGROUND DOCUMENTS

BD1 Prudential Code Indicators and Treasury Management Strategy 2019/20 (27 February 2019 Council)

BD2 Annual Treasury Management Review of 2018/19 (16 October 2019 Council)

6 APPENDICES

- Appendix A – Prudential Indicators for Mid Year Review.

- Appendix B – Investment and Loan Portfolios

- Appendix C – Specified & Non-Specified Investment Criteria

- Appendix D – Approved Countries for Investments
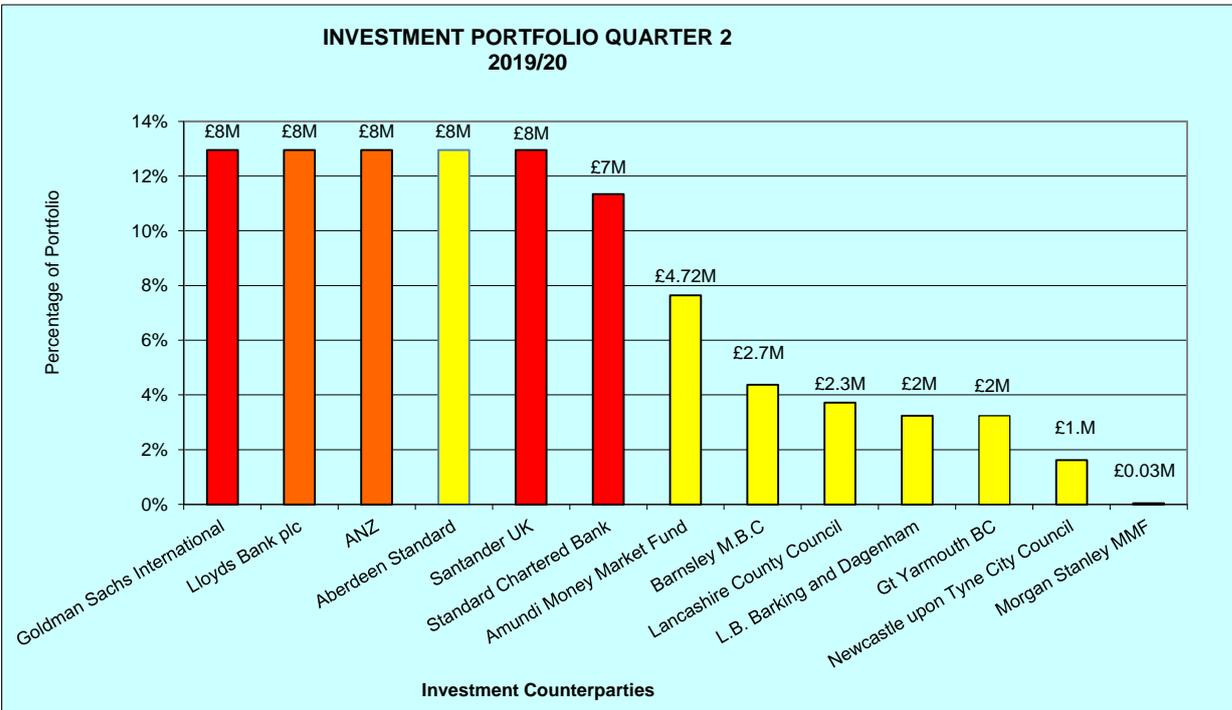
- Appendix E – MRP Policy

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Appendix A			2019/20 Treasury Management Strategy - Mid year review			
Treasury Management Prudential Indicators						

	2018/19	2019/20	2019/20	2019/20	2020/21	2021/22
Capital Expenditure (Based on Q1 Capital report September 2019):	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	£000	£000	£000	£000	£000	£000
General Fund	8,057	32,188	33,688	32,923	14,285	3,449
HRA	22,366	47,792	47,792	33,706	50,408	36,322
Total	30,423	79,980	81,480	66,629	64,693	39,771

	2018/19	2019/20	2019/20	2019/20	2020/21	2021/22
Ratio of financing costs to net revenue stream:	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	%	%	%	%	%	%
General Fund Capital Expenditure	6.45%	6.77%	6.77%	6.77%	10.31%	10.44%
HRA Capital Expenditure	14.94%	16.78%	16.78%	16.78%	16.46%	16.16%

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.

HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

	2018/19	2019/20	2019/20	2019/20	2020/21	2021/22
Authorised Limit for external debt	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	25,016	43,341	48,207	48,407	51,483	54,970
Borrowing - HRA	210,973	235,729	235,729	224,034	247,837	274,439
Total	235,988	279,070	283,936	272,441	299,320	329,409

The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans.

	2018/19	2019/20	2019/20	2019/20	2020/21	2021/22
Operational Boundary for external debt	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	£000	£000		£000	£000	£000
Borrowing - General Fund	20,016	38,341	43,207	46,407	49,483	52,970
Borrowing - HRA	205,973	230,729	230,729	218,034	241,837	268,439
Total	225,989	269,070	273,936	264,441	291,320	321,409

The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA).

	31/03/2019	31/03/2020	31/03/2020	31/03/2020	31/03/2021	31/03/2022
Gross & Net Debt	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	16,737	38,341	38,341	30,124	33,096	36,119
Gross External Debt - HRA	202,674	230,729	230,729	211,231	235,033	261,636
Gross External Debt	**205,483**	**269,070**	**269,070**	**241,355**	**268,129**	**297,755**
Less Investments	(54,135)	(38,770)	(38,770)	(63,741)	(61,879)	(66,462)
Net Borrowing	**151,348**	**230,300**	**230,300**	**177,614**	**206,250**	**231,292**

The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational Boundary for external

The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.

	31/03/2019	31/03/2020	31/03/2020	31/03/2020	31/03/2021	31/03/2022
Capital Financing Requirement	**Actual**	Original February 2019	Revised September 2019 (TM report)	Revised Mid year review 19-20	Revised Mid year review 19-20	Revised Mid year review 19-20
	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	15,121	35,841	35,841	41,407	44,483	47,970
Capital Financing Requirement HRA	206,820	210,729	210,729	216,034	239,837	266,439
Total Capital Financing Requirement	**221,941**	**246,570**	**246,570**	**257,441**	**284,320**	**314,409**

The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund it's capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).

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Average interest rate - 2018/19			**0.86%**			
Average interest rate - 2019/20 Q2			**0.98%**			
Bank of England Bank Rate			**0.75%**			

Borrower	Nation	Sovereign Rating (Fitch)	Amount £'s	From	To	Rate %
Money Market Funds (Instant Access)						
Amundi	UK	AA	4,720,000			0.71
Standard Life	UK	AA	8,000,000			0.69
Morgan Stanley	UK	AA	30,000			0.68
95 Day Notice						
Standard Chartered Bank	UK	AA	7,000,000			1.02
Fixed Term Deposit						
Goldman Sachs International	UK	AA	5,000,000	17-Jun-19	17-Dec-19	0.94
Santander UK	UK	AA	5,000,000	20-Jun-19	20-Dec-19	1.00
Santander UK	UK	AA	3,000,000	02-Jul-19	02-Jan-20	1.00
Australia & New Zealand Banking Corporation	AUS	AAA	4,000,000	17-Jul-19	15-Jul-20	1.02
Australia & New Zealand Banking Corporation	AUS	AAA	4,000,000	13-Aug-19	02-Jan-20	1.02
Goldman Sachs International	UK	AA	3,000,000	11-Sep-19	11-Mar-20	0.91
Lloyds Bank plc	UK	AA	5,000,000	23-Nov-18	22-Nov-19	1.10
Lloyds Bank plc	UK	AA	3,000,000	23-Jan-19	22-Jan-20	1.10
Newcastle upon Tyne City Council	UK	AA	1,000,000	03-Apr-17	03-Apr-20	1.00
London Borough of Barking and Dagenham	UK	AA	2,000,000	09-Jan-17	09-Apr-20	0.98
Lancashire County Council	UK	AA	2,300,000	06-Sep-18	07-Sep-20	1.20
Great Yarmouth Borough Council	UK	AA	2,000,000	16-May-18	17-May-21	1.45
Barnsley Metropolitan Borough Council	UK	AA	2,700,000	15-Sep-17	15-Sep-21	0.98
			61,750,000			

INVESTMENT PORTFOLIO QUARTER 2 2019/20

Maximum Term of Investment: 5 Years, 12 months (part Gov't owned), 12 months, 6 months, 100 days

LOAN PORTFOLIO QUARTER 2 (30th September 2019)

Decent Homes Borrowing

Lender	Type	Rate %	Amount £'s	From	To	Life of Loan
PWLB	Fixed Rate/Maturity	4.75	2,000,000	04/03/2010	04/03/2035	25 years
PWLB	Fixed Rate/Maturity	4.28	1,800,000	25/05/2010	25/05/2035	25 years
PWLB	Fixed Rate/Maturity	4.24	963,000	17/08/2010	17/08/2035	25 years
PWLB	Fixed Rate/Maturity	4.65	3,000,000	25/03/2010	25/09/2035	25 1/2 years
			7,763,000			

Self Financing Borrowing

Lender	Type	Rate %	Amount £'s	From	To	Life of Loan
PWLB	Fixed Rate/Maturity	2.92	500,000	28/03/2012	28/03/2026	14 years
PWLB	Fixed Rate/Maturity	3.01	8,000,000	28/03/2012	28/03/2027	15 years
PWLB	Fixed Rate/Maturity	3.08	8,700,000	28/03/2012	28/03/2028	16 years
PWLB	Fixed Rate/Maturity	3.15	9,600,000	28/03/2012	28/03/2029	17 years
PWLB	Fixed Rate/Maturity	3.21	10,600,000	28/03/2012	28/03/2030	18 years
PWLB	Fixed Rate/Maturity	3.26	11,000,000	28/03/2012	28/03/2031	19 years
PWLB	Fixed Rate/Maturity	3.30	16,000,000	28/03/2012	28/03/2032	20 years
PWLB	Fixed Rate/Maturity	3.34	17,500,000	28/03/2012	28/03/2033	21 years
PWLB	Fixed Rate/Maturity	3.37	17,600,000	28/03/2012	28/03/2034	22 years
PWLB	Fixed Rate/Maturity	3.40	17,300,000	28/03/2012	28/03/2035	23 years
PWLB	Fixed Rate/Maturity	3.42	15,300,000	28/03/2012	28/03/2036	24 years
PWLB	Fixed Rate/Maturity	3.44	21,000,000	28/03/2012	28/03/2037	25 years
PWLB	Fixed Rate/Maturity	3.46	18,200,000	28/03/2012	28/03/2038	26 years
PWLB	Fixed Rate/Maturity	3.47	19,611,000	28/03/2012	28/03/2039	27 years
PWLB	Fixed Rate/Maturity	3.48	4,000,000	28/03/2012	28/03/2040	28 years
			194,911,000			

Prudential Borrowing

Lender	Type	Rate %	Amount £'s	From	To	Life of Loan
PWLB	Fixed Rate/EIP	2.37	921,053	19/08/2013	19/02/2022	9 1/2 years
PWLB	Fixed Rate	2.29	1,755,950	19/03/2018	19/03/2028	10 years
			2,677,003			

Total Borrowing **205,351,003**

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Specified and Non-specified Investment Criteria
(including Treasury Limits and Procedures)

Table 1   **Specified Investments** are sterling denominated with maturities up to maximum of one year and must meet the following minimum high credit quality criteria:

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Overnight Deposit	Fitch: Short Term F1 and Long Term A and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different OR Part-nationalised or Nationalised UK banking institutions (subject to regular reviews of government share percentage).	Maximum duration as per Treasury Advisor's (Capita's) colour coded Credit List, and less than one year
	Notice Account		
	Short Term Deposit		
Debt Management Office or UK Local Authority	Any deposit	No limit.	
Money Market Funds	Instant Access	AAA rated	Instant Access

Table 2   **Non-Specified Investment** are sterling denominated with a maturity longer than one year but no longer than five years, and must meet the following criteria:

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies Debt Management Office or UK Local Authority	Any deposits with maturity up to a maximum of five years	Fitch: Short Term F1+ and Long Term AA- and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different No Limit.	Maximum duration suggested by Treasury Advisor's (Capita's) colour coded Credit List, and not in excess of five years

Table 3   **Treasury Limits**

Investment Instrument	Cash balances less than £30Million Limits	Cash balances higher that £30Million Limits
Variable Rate Investments (Excluding Enhanced Cash Funds)	Maximum holding £30M	Maximum holding 100%
Counterparty limits (to encompass all forms of investment)	Maximum £5M	Maximum £8M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits)	Maximum £5M	Maximum £10M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £8M per MMF
	No limit on total cash held	
Enhanced Cash Funds	Maximum £3M	
Certifcates of Deposits	Maximum £5M	
Property Funds	Maximum of £3M - No durational limit. Use would be subject to consultation and approval	

	Procedures of Applying the Criteria and Limits
	Before the Treasury Team makes an investment, the Team will follow the follow procedure to ensure full compliance with the Specified and Non-Specified Criteria and Treasury Limits:
1	Check that the Counterparty is on the Counterparty List (also known as Current Counterparty Report for Stevenage) produced by Link Asset Services (LAS), specifically meeting the Council's Specified and Non-specified Minimum High Credit Quality Criteria in the above Table 1 & 2. If it is not on the list, the Treasury Team will not invest with them.
2	If the Counterparty is on the list, then the Treasury Team refers to the Credit List produced by LAS in colour coding, to determine the maximum investment duration suggested for the deposit, as per the column of Suggested Duration (CDS Adjusted with manual override).
3	Refer to the Treasury Limits in the above Table 3 to ensure the amount invested complies with the Treasury Limits.

APPENDIX D: Approved Countries (with Approved counterparties) for Investments (September 2019)

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- Finland

AA

- United Arab Emirates
- France

AA-

- Belgium
- Qatar

The UK is exempt from the sovereign rating criteria as recommended by Link Asset Services

The above list includes the possible countries the Council may invest with. Not all of these countries are used or will be used in treasury management investments

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Appendix E (December 2019 Update)

Minimum Revenue Provision Policy

Minimum Revenue Provision Policy Statement 2019/20

Note: It may be necessary to take a revised strategy and/or MRP policy to Council at a later date subject to progression of the wholly owned housing company and regeneration schemes to reflect the longer life of regeneration assets .

From 2013/14, the council has not had a fully funded capital programme, and although there has not been a need to borrow in full externally, due to the use of investment balances, it will be necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision in 2019/20 for the unfunded element of 2013/14 and 2014/15 expenditure. The **preferred method for existing underlying borrowing is Option 3 (Asset Life Method**) whereby the MRP will be spread over the useful life of the asset. Useful life is dependent on the type of asset and has been reviewed in 2019/20 to ensure that the useful life is still appropriate. Following this review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and carparks for example).

In applying the new asset lives historic MRP has been overpaid and in accordance with MHCLG MRP Guidance can be reclaimed in future years. The council has a policy to ring fence costs and income associated with regeneration assets and as such has shown these MRP changes separately (see table below).

The Council has approved a **Property Investment** Strategy – an investment of £15Million in property funded from prudential borrowing. The MRP calculation will be calculated under **Option 3 (Asset Life Method) and the annuity method** which links the MRP to the flow of benefits from the properties.

The forecast annual MRP for 2019/20 is £634,324 based on the Draft 2019 Capital Strategy Update having the need to borrow for the General Fund.
In addition finance lease payments due as part of the Queensway regeneration project made in 2018/19 and 2019/20 will be applied as MRP.

MRP Overpayments - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Following the review of asset lives MRP overpayments have arisen on regeneration assets and a small underpayment of MRP on other assets. A voluntary in year (2019/20) payment to cover the underpayment is proposed. The resulting overpayments on regeneration assets is shown in the following table.

voluntary MRP made		
	Regeneration	**Other Assets**
2012/13	£46,929.65	nil
2013/14	£140,788.95	nil
2014/15	£163,165.30	nil
2015/16	£141,355.30	nil
2016/17	£141,355.30	nil
2017/18	£141,355.30	nil
2018/19	£141,355.30	nil
2019/20	£141,355.30	£11,811.71
cumulative total	**£1,057,660.39**	**£11,811.71**

Additional Information

1. What is a Minimum Revenue Provision (MRP)?
The Minimum Revenue Provision is a charge that Councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined by Guidance.

2. Statutory duty
Statutory Instrument 2008 no. 414 s4 lays down that:

"A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent."

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

The share of Housing Revenue Account CFR is not subject to an MRP charge.

3. Government Guidance
Along with the above duty, the Government issued guidance which came into force on 31st March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was

required under the previous statutory requirements.   The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits.   The requirement to 'have regard' to the guidance therefore means that: -

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

The four recommended options are thus:

Option 1: Regulatory Method
Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity).

This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the Supported Capital Expenditure (SCE) annual allocation.

Option 2: Capital Financing Requirement Method
This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

This is not applicable to the Council as it is for existing non supported debt

Option 3: Asset Life Method.
This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -
Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:
equal instalment method – equal annual instalments,
annuity method – annual payments gradually increase during the life of the asset.

This is the preferred method as it allows costs to be spread equally over the life of the asset.

Option 4: Depreciation Method
Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

This method is not favoured by the Council as if the asset is subject to a downturn in value, then that amount would have to be written off in that year, in addition to the annual charge

4. Date of implementation
The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). The CLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

SteVenage
BOROUGH COUNCIL

Meeting: **Audit Committee**

Portfolio Area: All Portfolio Areas

Date: **12 November 2019**

PROGRESS OF CORPORATE AND SERVICE GOVERNANCE ACTIONS

Author: Suzanne Brightwell Ext: 2966
Contributors: Assistant Directors
Lead Officer: Clare Fletcher Ext 2933
Contact Officer: Suzanne Brightwell Ext. 2966

1. PURPOSE

1.1   To advise Members of the Audit Committee of:

1.1.1. Progress to date of corporate governance actions to strengthen the Council's corporate governance arrangements as identified in the Council's 2018/19 Annual Governance Statement, reported to Audit Committee on 12 June 2019.

1.1.2. Progress to date of service governance actions identified by the 2018/19 Service Assurance reviews carried out at business unit level to strengthen the Council's service governance arrangements, reported to Audit Committee on 12 June 2019.

2. RECOMMENDATIONS

2.1.   That Members of Audit Committee note:

2.1.1 Progress to date of corporate governance actions to strengthen the Council's corporate governance arrangements as identified in the Council's 2018/19 Annual Governance Statement, reported to Audit Committee on 12 June 2019.

2.1.2   Progress to date of service governance actions identified by the 2018/19 Service Assurance reviews carried out at business unit level to strengthen the Council's service governance arrangements, reported to Audit Committee on 12 June 2019.

3. BACKGROUND

3.1.   Governance is the policies and procedures in place and the values and behaviours that are needed to ensure the Council runs effectively and can be held to account for its actions.

3.2. In 2016, CIPFA SOLACE published a review Framework and Guidance that reflects the International Framework: 'Good Governance in the Public Sector, developed by CIPFA/IFAC. The Framework defines the principles that should underpin the governance of each local government organisation and outlines the requirement for authorities to test their governance structures and partnerships against the principles contained in the Framework by:

- Developing and maintaining an up to date Local Code of Governance, including arrangements for ensuring ongoing effectiveness

- Reviewing existing governance arrangements, and

- Reporting publicly on compliance with the Local Code of Governance on an annual basis setting out how they have monitored the effectiveness of their governance arrangements in the year and identify any enhancement required.

3.3. The CIPFA/SOLACE seven core principles of good governance are:

A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law

B: Ensuring openness and comprehensive stakeholder engagement

(Principles A and B are considered fundamental and applicable through principles C to G)

C: Defining outcomes in terms of sustainable economic, social and environmental benefits

D: Determining the interventions necessary to optimise the achievement of intended outcomes

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

F: Managing risks and performance through robust internal control and strong public financial management

G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.4. For each of the above core principles, the Framework outlines a set of sub-principles and a set of behaviours and actions that demonstrate good governance in practice.

3.5 The diagram below, taken from the International Framework, Good Governance in the Public Sector (CIPFA/IFAC, 2014) illustrates the above principles of good governance in the public sector and how they relate to each other.
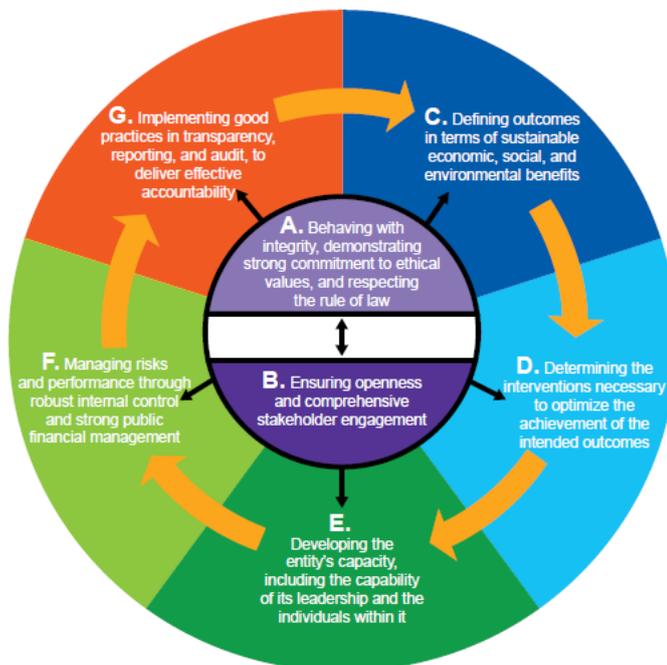
3.6 Significant Governance Enhancement Activity – April to September 2019

3.6.1 As a result of the Council's annual assessment of governance arrangements and procedures, actions were identified to improve the high quality of governance arrangements already in place for the Council. Any actions which were deemed as significant were included in the Action Plan in the Annual Governance Statement and these actions are reflected in Appendix A to this report.

3.6.2 Enhancement activity is deemed significant if recommended for inclusion in the Annual Governance Statement by the Shared Internal Audit Service following their review of control arrangements to meet the Audit Plan, or if identified as key to the management of 'very high/high level' strategic risks. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the delivery of outcomes should be addressed.

3.6.3 Appendix A outlines the year to date progress of the significant governance enhancement actions included in the 2018/19 Annual Governance Statement. The full year position will be reported to Audit Committee in March 2020.

3.7 Service Governance Enhancement Activity – April to September 2019

3.7.1 At business unit level, assurance of compliance with the principles of good governance requires all Assistant Directors to complete, certify and return a Service Assurance Statement each year. The Service Assurance Statement is designed to provide assurance that the control environment operated effectively during 2018/19 in respect of the business units for which they have responsibility. As a result of this review 34 actions were identified for delivery in 2019/20 to enhance service governance arrangements.

3.7.2 Appendix B outlines the year to date progress of the service governance enhancement actions identified during the service assurance review of service

governance at business unit level for 2018/19 . The full year position will be reported to Audit Committee in June 2020.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

The self-assessment of the Council's corporate governance arrangements against the 'Delivering Good Governance in Local Government' Framework principles and identification of significant governance actions to facilitate continued compliance with this Framework, forms part of the assurance process for the production of the Council's Annual Governance Statement to meet Regulation 6 of the 2015 Accounts and Audit (England) Regulations.

5. IMPLICATIONS

5.1 Financial Implications

There are no direct financial implications arising from this report.

5.2 Legal Implications

The governance enhancements identified in this report inform the Annual Governance Statement which will be reported to Audit Committee in June 2020. It is a requirement for the Council to publish an Annual Governance Statement alongside its Statement of Accounts.

5.3 Risk Implications

Risk management supports robust corporate governance arrangements by identifying potential risks associated with the achievement of corporate priorities and statutory requirements. Weakness in corporate governance arrangements can increase risk for the Council. Governance arrangements need to be sound and seen to be sound to mitigate risk.

5.4 Other Corporate Implications

Corporate governance affects all aspects of the work of the Council, as well as partners of the Council contributing to outcome delivery, and other agencies with which the Council shares information. External bodies, in particular, need to have confidence in the way the Council operates and this can be achieved by demonstrating robust governance arrangements that are fully embedded and a commitment to ensuring effectiveness.

6. BACKGROUND DOCUMENTS

- CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 Framework and Guidance

- CIPFA/IFAC International Framework: 'Good Governance in the Public Sector', published August 2014

- Audit Committee report (12 June 2019) Annual Governance Statement 2018/19

7. APPENDICES

- Appendix A: Progress Review of Corporate Governance Actions 2019/20 - April to September 2019

- Appendix B: Progress Review of Service Governance Actions 2019/20 – April to September 2019

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Progress Review of Corporate Governance Actions (Annual Governance Statement) 2019/20 – April to September

Action	Target Date	Progress Update – September 2019
To implement the first phase of the Action Plan to deliver the five year Housing Asset Management Strategy (2019-2024) the following activity is planned (AD Housing and Investment):		**Understanding of Council's housing stock and condition/Review of asset data/Methodology for carrying out options appraisals:** Stock condition survey is underway and will help inform the HRA Business Plan.
• Carry out a programme of work to improve understanding of the Council's housing stock and its condition to enable effective investment decisions	2019-20	**Programme of work to continue to ensure safe homes:** Major Refurbishment Contract is underway for flat blocks along with a number of other significant programmes such as communal heating refurbishment, sprinkler retrofitting and reviewing the compliance contract.
• Carry out a review of asset data to develop understanding of asset performance and deliver a programme of improvements	Review 2019/20 Implement 2019-2024	**Compliance with the decent homes standard:** Work continues with this programme.
• Establish a standard methodology for carrying out options appraisals and use the appraisals to guide investment decisions	Review 2019-2020 Implement 2019-2024	**Develop effective programmes to deliver the objectives of the strategy and wider Council strategies:** Complete. Programmes are in place.
• Carry out a programme of work to continue to ensure safe homes	2019-2024	**Review of repair costs and analyse the financial viability to take on subcontracted works in-house:** Insourcing strategy is being developed by AD Stevenage Direct Services and a road map has been developed to consider when we may be in a position to bring work in house.
• Carry out a programme of work to maintain compliance with the decent Homes standard across the stock	To be confirmed	
• Develop effective programmes to deliver the objectives of the strategy and wider Council strategies	2019-2020	**Review the structure, processes and systems used by the Repairs and Voids service:** Housing Repairs working practices and processes have been reviewed and amended to enhance individual accountability and responsibility to achieve successful outcomes at the first time of attendance and maximise productivity and utilisation to ensure value for money and the delivery of responsive services for our customers. The repairs service achieved its key performance indicators during 2018-19 and is on track to do the same throughout 2019-20. The service has been scrutinised and monitored on a monthly basis by the council's Housing Management Advisory Board in addition to normal corporate performance management mechanisms.
• Carry out a review of repairs costs and analyse the financial viability to take on subcontracted works in-house to deliver a value for money' repairs service which meets the needs of customers	2019-2021	
• Review the structure, processes and systems used by the Repairs and Voids service as a whole to ensure the service being provided is the best possible	2019-2024	
• Carry out a programme of work to ensure assets are energy efficient and	2019-2024	A review of the current structure of the housing

Action	Target Date	Progress Update – September 2019
champion environmental sustainability • Carry out a review and implement recommendations to ensure the best use of adapted stock and deliver an efficient adaptation programme to meet the requirements of residents • Carry out a review and implement recommendations to provide quality homes and sustainable tenancies whilst limiting the time properties are void	Review 2019-2020 Implement 2019-2024 Review 2019-2020 Implement 2019-2024	repairs function has been undertaken and proposals for a revised operating model are currently being discussed with the council's Senior Leadership Team and Executive Members and are included in the 2020/21-2022/23 Financial Security Options to be presented to the November Executive. These proposals seek to align resource to demand and integrate with the move to a cooperative neighbourhood working arrangement for the council's resident facing services. **Carry out a programme of work to ensure assets are energy efficient and champion environmental sustainability:** The Council has agreed to review our acceptable SAP rating in response to the climate change emergency. **Carry out a review and implement recommendations to ensure the best use of adapted stock and deliver an efficient adaptation programme to meet the requirements of residents:** Aids and Adaptions Service is being review and will be reported back to the Executive in March 2020. **Carry out a review and implement recommendations to provide quality homes and sustainable tenancies whilst limiting the time properties are void:** The Repairs and Voids service and the Lettings Team are working closely together to achieve this.
To implement the General Fund Asset Management Strategy which was approved in July 2018, the following activity is planned (AD Finance and Estates): • Review condition and relevance of the current commercial portfolio to determine capital investment requirements • Review the Council's commercial portfolio • Implement Locality Reviews	 2019-2020 2019-2021 2019-2021	**Commercial portfolio:** In progress, however has been delayed due to the restructure and recruitment difficulties in the Estates function and additional regeneration workload. Recruitment has been successful for one senior post and re-advertising of two other roles will commence in November 2019. **Locality Reviews:** In progress. The Locality Reviews have started but progress has been delayed by the Estates restructure. Data is being collected on assets on a ward by ward basis with the first being St Nicholas. Once the opportunities have been identified which meet the AMS objectives these will be discussed with the ward members and portfolio holders.

Action	Target Date	Progress Update – September 2019
To enhance document retention arrangements in relation to the enforcement of anti-social behaviour action, the following activity is planned (AD Communities and Neighbourhoods) • Changes to procedures to be implemented to ensure enhanced document retention arrangements	2019-2020	**Changes to procedures:** Complete. All the audit recommendations in relation to enhancing documentation retention arrangements have been implemented.
To ensure there is corporate capacity to deliver sustainable services that better meet the needs of customers, the following activity is planned (All Assistant Directors): • Continue to implement the restructure of services through Future Council Business Reviews • Carry out a skills/capacity gap analysis and put in place targeted management and staff activity in response • Introduce tools and techniques to manage change effectively whilst maximising levels of staff engagement • Develop communication/engagement strategies that enable all staff to have a clear understanding of organisational direction and the desired culture, behaviours and ways of working	2019-2020 2019-2020 2019-2020 2019-2020	**Restructure of services through Future Council Business Reviews:** There has been a significant amount of work undertaken during 2019/20 on Future Council Business Unit Review, including: Finance and Estates, Communications and Marketing, Communities and Neighbourhoods, SDS Fourth Tier, Housing and Investment Fourth Tier and Human Resources. Housing and Investment are currently mid consultation (commenced end of September 2019). The Fourth tier (those reporting to Assistant Directors) is almost complete across the whole Council. This work will continue into 2020, with key proposals coming forward to include: Stevenage Direct Services, Play Service and Digital and Transformation. **Skills/Capacity Gap Analysis:** Work has commenced in some business units. Work has commenced to establish a Fourth Tier leadership forum and work is underway to develop a leadership vision for the 4th tier and an aligned development programme to support and empower the 4th tier leadership team to deliver that vision. Wider business unit skill gaps will be assessed once business unit reviews are complete and staff have been recruited for the posts, so that a skills gap can be completed and appropriate and targeted learning interventions are appropriate and meaningful. **Introduce tools and techniques to manage change effectively and ensure staff have a clear understanding of organisational direction, desired culture, behaviours and ways of working:** The Council introduced a new Managing Organisational Change policy which is more holistic and considers how to manage change and the impact on our people. Managers also received

Action	Target Date	Progress Update – September 2019
		training on this at the time of launching the new policy. The Leadership Competency Framework was developed and implemented during 2016 to signal to the organisation the expected behaviours and skills that would be valued and during 2019 work has been completed to further develop this framework for grades 1-9 and is planned to launch later this year.
To enhance IT infrastructure, cyber security, governance arrangements, policy framework and resilience the Shared IT service to continue to develop and implement a strategy and programme of activity as follows: (AD Corporate Services and Transformation): • Complete telephone enhancement activity • Windows 2008 replacement programme • Email filtering replacement • Strengthen anti-virus arrangements • Enhance network security management arrangements • Enhance policy and training arrangements • Review the Council's IT perimeter security arrangements • Review access controls • Complete the infrastructure review and produce a new ICT strategy and road map to improve ICT resilience and security • Horizon VDI Upgrade • Completion of the IT infrastructure refresh	2019-2020 2019-2020 2019-2020 2019-2020 2019-2020 2020-2021 2019-2020 2019-2020 2019-2020 2019-2020 2020-2021	**Telephone enhancement: In progress.** Completed for East Herts DC. Scheduled to be completed for Stevenage January 2020. **Windows 2008 replacement: In progress**. 50 systems require updating. **Email Filtering replacement: Complete.** New system Mimecast is in place. **Strengthen anti-virus arrangements:** Complete. **Enhance network security management arrangements: N**etwork security tools being investigated. Nessus (vulnerability scanner) in place and being used monthly. **Enhance policy and training arrangements:** In Progress. Meta compliance installed and Phishing campaign planned. Acceptable Usage Policy requires HR approval before deployment. **Review IT perimeter security arrangements:** On Hold. Replacement of firewalls and switches scheduled for April 2020 due to staffing and financial prioritisation. **Review access controls:** Review complete. Monthly reporting being produced. Enhanced security processes regarding staffing changes agreed and implemented. **Infrastructure review and ICT Strategy:** Review complete. IT Strategy awaiting final approval. **IT infrastructure refresh:** In progress.
To continue to enhance and embed information management arrangements to ensure that best practice records management across the Council continues to be applied and customer data is stored securely and appropriately managed the following activity is planned: (AD Corporate Services and Transformation)		**Review of data sharing arrangements:** Progress has been made with completion of third party information sharing agreements with over 80% of agreements completed. The GDPR team are continuing to work with SBC service teams and the shared legal services in requiring lead partners to update relevant protocols and framework that involve the sharing of information to reflect GDPR requirement and re-

Action	Target Date	Progress Update – September 2019
• Review of data sharing arrangements with local authority partners and public agencies • Review and update supplier agreements • Review and enhance GDPR ICT security compliance • Review of data security policies • Review and carry out a further phase of GDPR staff training	2019-20 2019-20 2019-20 2019-20 2019-20	issue to the council as signatories to review and sign. **Review and update supplier agreements:** Further progress has been made updating outstanding supplier agreements. Over 80% of contracts are now complete. The GDPR team is continuing to work with service teams to complete outstanding supplier agreements. **Review and enhance GDPR ICT security compliance:** As part of the wider ICT improvement strategy, recent notable developments in GDPR related security have taken place regarding emails and internet security to protect council data which includes: **Roll-out of Mimecast:** An email cloud-based security solution was successfully implemented across the council earlier in September to ensure protection of outgoing council emails and filtering of websites to reduce risks of cyber security threat, eg viruses/malware/ransomware. **Email Encryption:** ICT security work has resulted in encryption being achieved for 95% of outgoing council emails, thus strengthening the council's ability to safeguard data sent by emails. **Review of data security policies:** The proposed ICT data security policies and their status are detailed below: • **Acceptable Usage Policy:** Currently with the Council's HR service for consultation • **Mobile Device Policy**: Current with the Council's HR service for consultation • **ICT Monitoring Policy:** The ICT Shared Service are currently developing this policy • **ICT Remote Working Policy**: Currently with the Council's HR service for consultation • **Data Sharing Policy (Contractors):** This policy has been completed and awaiting release. **GDPR staff training:** The Council's Information Governance Manager is working in liaison with the HR team to review the next offering of mandatory e-learning GDPR training to ensure the training content is relevant to Council services. Further GDPR tailored bite-size sessions are

Action	Target Date	Progress Update – September 2019
		planned for staff in November, which will cover key topics that affect staff in their everyday working practices.
To embed the new Health and Safety Framework to ensure health and safety compliance and performance across the Council the following activity is planned: (AC Corporate Services and Transformation) • Health and safety training needs to be identified for all roles across the Council • Embed the new Health and Safety Framework and arrangements	2019-2020 2019-2020	**Health and Safety:** In progress. All areas of the council are being audited. There is now a requirement to have a health and safety training matrix which identifies training requirements appropriate to role and this is being implemented council wide. The Health and Safety Team have just started to deliver the IOSH Managing Safety Course for Managers as required. Alongside e-learning health and safety packages there is a range of tool box talks available, plus courses on Risk Assessment, Construction, Design and Management (CDM) Regulations, Manual Handling, COSHH, Hand Arm Vibration, Legionella, Needle sticks, sharps and Diseases, Hot Works, Noise. **Embed new Health and Safety Framework:** In progress. By the process of internal and external audits, peer reviews, shadow health and safety inspections, risk assessment reviews, training to upskill managers, health and safety group meetings, hazard monitoring and action plans, the embedding of the Health and Safety framework is going well and is driving up standards.
To review and enhance the Governance Framework and arrangements for the CCTV Partnership the following activity is planned: (AD Communities and Neighbourhoods) • Review of Governance Framework • Approval of new Governance Framework, Partnership Agreements, Shareholders Agreement and Terms of Reference • Development of a new five year rolling Business Plan for the Partnership • Review of reporting arrangements for the Partner Authorities	2019-20 2019-20 2019-20 2019-20	**Review of Governance Framework:** Complete. The Governance Framework was signed off by the CCTV Joint Executive in June 2019. **Approval of Partnership Agreements, Shareholders Agreement and Terms of Reference:** These were approved by the CCTV Joint Executive on 25th September 2019. The final document being completed by the Legal Service for sealing. **Development of a new five year rolling Business Plan for the Partnership:** Complete **Review of reporting arrangements:** These were approved by the CCTV Joint Executive on 25th September 2019. The final document being completed by the Legal Service for sealing.

Progress Review of Service Governance Actions 2019/20 - April to September 2019

Action identified for 2019/20	Progress	Service Area
Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Dignity at Work Policy to be circulated to all staff in the Corporate Services Business Unit	**Complete.** The Policy has been circulated to all staff in the Corporate Services Business Unit	Corporate Services
Officers responsible for procurement in the Corporate Services Business Unit to attend Financial Regulations refresher training	**In progress.** Corporate Services staff responsible for procurement to attend next session of Financial Regulations refresher training.	Corporate Services
Restructure and recruitment of permanent staff and graduate trainees in the Estates, Reconciliation and Paralegal service units to enhance capacity and workforce planning.	**In progress.** Estates restructure consultation complete. One post filled and three to be filled. Targeted advertising to recruit to the vacant posts to commence with support from HR.	Finance and Estates
Improvements in business intelligence to identify service weaknesses and enhance service delivery to form part of the SDS Future Council Business Review (carried over from 2018/19)	**In progress.** Work has been undertaken to optimise resource deployment for Refuse and Recycling and Streets and Grounds Maintenance functions. A new management structure has been implemented following the Business Unit Review and an Operations Management system has been procured and is currently being implemented. This system is expected to go live in January 2020. This will provide real time business intelligence in respect of the Operations functions. Full performance granularity has been implemented across the business unit so as to enable proactive identification of development areas or areas in need of intervention.	Stevenage Direct Services
Principle B: Ensuring openness and comprehensive stakeholder engagement		
IT Shared Service Board Partnership Agreement to be reviewed and changes agreed by the ICT Shared Service Partnership Board	**In progress.** Currently forms part of an IT Audit which is underway.	Corporate Services
New Communications and Marketing Action Plan to be implemented and embedded	**Complete:** Communications and Marketing campaign plans are now in place.	Corporate Services
Review and enhance computer generated documentation aimed at residents (carried over from 2018/19)	**Complete.** As part of the Housing All Under One Roof transformation programme, all letters produced through Desk Top Integration have been reviewed.	Housing and Investment
Carry out a review of Financial Regulations (carried over from 2018/19)	**In progress.** Financial Regulations have been reviewed. Consultation to be carried out in respect of proposed changes.	Finance and Estates

1

Phase Two of the Stevenage Direct Services Future Council Business Review to further enhance service delivery	**In progress.** Service reviews for Housing Repairs and Maintenance and Environmental Performance and Development have commenced and initial proposals considered by SLT. Work is being undertaken to finalise proposals and complete consultation documents and processes with a view to implementation early in 2020/21. The review of the Operations functions has commenced and restructures proposals aligned with Cooperative Neighbourhood Working principles are being finalised with a view to being considered by SLT by December 2019.	Stevenage Direct Services
Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits		
Service Plans to be produced for the Planning and Regulatory Services Business Unit	**In progress.** Service Plans for the Planning and Regulatory Services Business Unit are being updated.	Planning and Regulation
Internal review of the Council's Customer Service model	**Not started.**	Corporate Services
New performance framework to be put in place for ICT	**In progress.** New performance indicators are being captured as part of the recently approved ICT strategy.	Corporate Services
New performance measures to be introduced for the Communications service	**Complete.** Local performance measures are now in place for Communication campaigns to assess reach and impact	Corporate Services
Carry out a review of customer satisfaction monitoring for the ICT service	**Not started.** Will be incorporated into the ICT Performance Suite when it has been developed.	Corporate Services
A review of SDS policies to ensure services operate to approved standards (carried over from 2018/19)	**Complete.** New health and safety governance and monitoring mechanisms have been implemented and shaped the development of the overarching corporate governance framework. Each service has up to date risk assessments and action plans. Training and compliance reviews have been undertaken with appropriate training requirements highlighted and programmed into the Unit training matrix to ensure compliance with statutory requirements.	Stevenage Direct Services
Implementation of the recommendations from the Waste Scrutiny Review carried out in 2018/19	**In progress.** Embedded within the service review proposals that will be implemented by June 2020.	Stevenage Direct Services
Development and implementation of an Inclusive Play Policy to enhance access to Play services (carried over from 2018/19)	**In progress.** The Business Unit review for the Play Service has captured the need to broaden the reach of the Play Service to better serve children in the town in a more inclusive way, looking at driving outcomes in terms of child poverty, community safety,	Communities and Neighbourhoods

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	health and wellbeing etc. This review launches for consultation at the end of the month and will be implemented by February 2020.	
Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes		
Establish a FTFC Programme Office to monitor performance of the FTFC Programme	**Complete.** Programme Office now in place to monitor the FTFC programme.	Corporate Services
Development of an ICT investment programme	**Complete.** ICT strategy together with investment programme to fund the strategy approved by Executive on 9th October 2019.	Corporate Services
Principle E – Developing the entity's capacity, including the capability of its leadership and the individuals within it		
Job descriptions for posts in Planning and Regulation to be reviewed as part of the Future Council Business Review process	**In progress.** The majority of job descriptions for posts in Planning and Regulation have been reviewed as part of the Future Council Business Review. The outstanding three job descriptions will be updated soon.	Planning and Regulation
Recruitment to key vacant posts in Planning and Regulation	**In progress.** Roles being covered by temporary staff. Recruitment to these posts to commence soon.	Planning and Regulation
ICT officers' job descriptions to be reviewed to reflect new structure and practices	**In progress.** A number of job descriptions have been reviewed. Further work to review all other job descriptions continues.	Corporate Services
Recruitment to key posts in the ICT Service Delivery Unit	**In progress.** A number of key ICT posts have now been appointed. Further recruitment will take place to ensure the ICT Strategy can be implemented.	Corporate Services
Recruitment to posts in the CSC to enhance capacity and performance	**Complete.**	Corporate Services
Appointment to interim posts in Human Resources to support Business Units to implement their Future Council Business Reviews	**In progress.** The HR restructure is underway.	Corporate Services
Recruitment to new/vacant posts in the recently established Corporate Policy and Business Support unit	**In progress.** The Corporate Policy and Research Officer and Data Analyst post have started. Recruitment to the post of Corporate Policy and Research Officer will commence soon.	Corporate Services
Implementation and embedding of the new SDS Workforce Plan	**In progress.** New workforce arrangements have been integrated into the service review proposals and are scheduled for implementation next year.	Stevenage Direct Services
SDS job descriptions for staff below Tier 4 to be reviewed during the second phase of the business reviews (carried over from 2018/19)	**In progress.** Service reviews for Housing Repairs & Maintenance and Environmental Performance & Development have commenced and initial proposals have been considered by the Senior Leadership Team. Work is being undertaken to finalise proposals and complete consultation	Stevenage Direct Services

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	documents and processes with a view to implementation next year.	
Lone working arrangements for Estates Officers when undertaking enforcement duties to be reviewed and new working practices to be implemented.	**Complete.** Health and Safety training has been completed by all Estates staff and practices have been enhanced. Use of enforcement officers and change to arrears process and letters has been implemented.	Finance and Estates
Continued implementation of training identified by the Training Needs Analysis to be implemented during 2019/20 (carried over from 2018/19)	**Complete/Ongoing.** Violence and Aggression training is being rolled out to all Housing and Investment staff through a programme. In addition to this a number of the team are undertaking professional qualifications as well as further Customer First training programme for new starters.	Housing and Investment
Job descriptions for posts in Housing and Investment to be reviewed and updated as required during the next phase of the Future Council Business Review (carried over from 2018/19)	**In progress.** All job descriptions have been rewritten and are currently subject to consultation through the Business Unit Review. The consultation closed on 8 November 2019.	Housing and Investment
Principle F: Managing risks and performance through robust internal control and strong public financial management		
Enhance Corporate Services staff awareness of the Council's Anti-Fraud and Corruption Policy and arrangements	**On hold.** Anti-Fraud and Corruption Policy requires review prior to distribution to staff.	Corporate Services
Business case to be produced outlining how ongoing GDPR monitoring/ information governance is going to be resourced.	**In progress.** A joint business case is being developed with East Herts District Council	Corporate Services
Enhance Communities and Neighbourhoods staff awareness of the Council's Anti-Fraud and Corruption Policy and arrangements	**On hold.** Anti-Fraud and Corruption Policy requires review prior to distribution to staff.	Communities & Neighbourhoods
Complete the review of the Communities and Neighbourhood web pages to ensure that information is still valid and up to date for the launch of the Council's new website	**In progress.** The review of the web pages is in progress and will be incorporated into the Council's new web site.	Communities and Neighbourhoods
Shared Legal Service Partnership Risk Register to be produced (carried over from 2018/19)	**Not started.** This is scheduled to be discussed at the next Legal Partnership Board meeting on 17 December 2019	Shared Legal Service
Shared Legal Service Partnership Agreement to be updated to reflect GDPR requirements (carried over from 2018/19)	**Not started.** This is scheduled to be discussed at the next Legal Partnership Board meeting on 17 December 2019.	Shared Legal Service

An archivist to be appointed to review documentation dating back to before the transfer to the new Shared Legal Service (i.e. pre August 2017) (carried over from 2018/19).	**In progress.** The Paralegals are reviewing the legal documentation which predates the Shared Legal Service under the advice of the Borough Solicitor and Lead Lawyer for the Shared Legal Service.	Shared Legal Service
Appointment of a Compliance Manager to carry out compliance activity and to manage delivery of the five year compliance action plan (carried over from 2018/19)	**In progress.** The Compliance Manager post remains difficult to recruit. This post has been advertised several times. Currently working with HR to review market supplements for this post. The post is currently being covered by agency staff.	Housing and Investment
Delivery of the five year action plan incorporating actions identified following an independent compliance review of the Council's Housing Stock (mechanical and electrical) (carried over from 2018/19)	**In progress.** The five year action plan is underway.	Housing and Investment
Principle G – Implementing good practice in transparency		
Continued monitoring of the new Shared Home Improvement Agency Function to ensure its effective implementation	**In progress.** A recent SIAS audit has identified a number of recommendations for improvement of the new shared service and action is being taken by Hertfordshire County Council who is responsible for the delivery of this shared service to implement these recommendations.	Planning and Regulation
Recommendations from the peer review of Constitutional Services to be implemented as part of the Future Council Business review of this service	**In progress.** Awaiting final report from the peer review.	Corporate Services
Complete the review of CCTV governance arrangements and the establishment of a five year business plan (carried over from 2018/19).	**In progress.** The governance review was concluded on 25 September 2019 with all completed audit actions being signed off by the Joint Executive	Communities & Neighbourhoods

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Part I – Release to Press

Stevenage
BOROUGH COUNCIL

Meeting   Audit Committee

Date   12 November 2019

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) JOINT STRATEGY UPDATE

The following documents are attached as Annexes to this cover page:

Annex A – Report on the ICT Strategy approved by the Executive on 9 October 2019

Annex B – Presentation on approach being taken for ICT Strategy

Annex C – Update on high level ICT audit recommendations

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Stevenage
BOROUGH COUNCIL

Meeting:	**EXECUTIVE**

Portfolio Area:	Neighbourhoods and Cooperative Working

Date:	**9 October 2019**

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) JOINT STRATEGY

KEY DECISION

Authors – Simon Russell and Richard Protheroe Ext. 2091 / 2938
Contributors – Anita Thomas Ext. 2430
Lead Officers – Richard Protheroe and Tom Pike   Ext. 2938 / 2288
Contact Officer – Richard Protheroe   Ext. 2938

1   PURPOSE

1.1   To seek Executive approval for Stevenage Borough Council (SBC) and East Herts Council's (EHC) Joint ICT Strategy 2019-2022.

1.2   For delegated authority to be granted to a Strategic Director to negotiate and agree a new ICT Shared Service Agreement with East Herts Council.

2   RECOMMENDATIONS

2.1   That Executive approves the ICT Partnership's ICT Strategy 2019 – 2022 attached at Appendix A to this report.

2.2   That delegated authority be granted to the Strategic Director [RP] having consulted the Portfolio Holder for Neighbourhoods and Co-operative Working, to make any further amendments to the ICT Strategy.

2.3   That Executive notes the ICT funding challenges and agrees to prioritise the currently known ICT capital investments as summarised in Table 2 at paragraph 5.1.7 subject to available funds and Council's agreement to their inclusion in the Capital Strategy 2020/21

2.4   That Executive agrees to recommend to Council the re-profiling of the ICT Capital Programme over the next five years as summarised in Table two, paragraph 5.1.7 as part of the Capital Strategy for 2020/21.

2.5   That Executive notes and agrees to recommend to Council that it prioritise the currently known revenue pressures relating to the ICT Strategy (subject to available funds) through the General Fund and Housing Revenue Account annual budget setting process for 2020/21.

2.6   That delegated authority is given to the Strategic Director (TP), having consulted the Portfolio Holders for Neighbourhoods and Co-operative Working, and Resources, to negotiate and agree a new ICT Shared Service Agreement with East Herts Council.

3   BACKGROUND

(A glossary of ICT Terms can be seen on page 4 of ICT Strategy Document (Appendix A)).

3.1   The Council's ICT Strategy was last published in 2015. The majority of recommendations and actions in the strategy have now been completed or superseded.

3.2   Following a series of independent reviews an ICT Improvement Plan was approved by the Executive in November 2017 to enable the ICT Partnership to take immediate action to improve the foundations of the ICT service with a primary focus on strengthening the resilience and security of the ICT infrastructure and to enhance ICT governance and service management.

3.3   Key outcomes achieved since the adoption of the plan include:

- Decommissioning of legacy business applications and servers to improve the security of the Council's systems
- Closure of the Hertford Data Centre
- Improved power resilience through the installation of a new power generator at Daneshill House and new uninterruptible power supply units that contain batteries to maintain power to the Daneshill data centre in the event of a power surge or outage.
- Completion of the Microsoft Exchange 2013 Migration Project
- Implementation of mobile device management
- Public Sector Network Accreditation in May 2019 following over 100 actions being completed over the preceding 9 month period.
- Award of a packaged software contract to enable direct purchase of 'off the shelf' software products
- Appointment of an ICT Strategic Partnership Manager with the right level of technical ICT knowledge
- Establishment of a New Security and Networking Team to look after the security and performance of ICT systems and network
- Creation of a Programme Management Office (PMO) to drive forward key ICT projects
- Procurement of Microsoft 365 and Hosted Desktop licences (to be implemented and rolled out during 2019/20)
- Installation of enhanced telephony technology

3.4   Despite this progress being made the adoption of a new ICT Strategy for the ICT Partnership is critical and will ensure that the operational services across SBC and EHC are provided with the appropriate technology, and that the technology is supportable, updated when needed, and that users are assisted in making the best use of it.

3.5   The Council's Corporate Plan relies on the efficient and effective operation of some 120 services of a diverse nature. One factor that unites them all is a reliance on information technology. Technology continues to evolves at pace, and that means that user expectations are constantly changing, and so continual investment is

required. The technology must not only be actively maintained, to keep it secure and fully operational, but regularly updated as older solutions become obsolete and unsupportable. It is important that this is done in a planned and coordinated way.

3.6   This approach extends beyond staff and Members to residents, who will need to be provided with the means to obtain many of their services online that is simpler, quicker and easier for them to use and cheaper for both authorities. This aligns closely with the Corporate Plans of SBC and EHC.

3.7   It has been necessary in developing the ICT Strategy to take an incisive and realistic view of the current state of ICT across both SBC and EHC. This has helped determine how fit for purpose the existing infrastructure, applications and end user equipment is, how well the ICT Team serves the two organisations currently in terms of its structure, processes and relationships, and what shape the team is in to move things forward. Many ICT strategies focus only on the new and exciting projects to be done to move the organisation forward, but these must be built on a sound base if they are not to fail in the future, and an honest appraisal must be undertaken to understand what must be remedied, to underpin future success.

3.8   The relevant key ICT issues and challenges faced by the Council that have helped to inform the development of the new ICT strategy include:

3.9   **Changing customer expectations:** The last decade has seen major changes to how customers engage with business, public services and each other, and the pace of change is increasing. It is vital that the Council exploits these channels to provide responsive engagement with its customers.

3.10   Digital Technology is now of even greater importance than 'traditional' ICT. Digital is disrupting everything and providing unprecedented opportunities, and we are living in a time of enormous change. It has been said that change is happening 10 times faster and at 300 times the scale of the first Industrial Revolution—and thus is having a major impact.

3.11   As Digital becomes ubiquitous, it is rewriting the way local authorities are delivering their corporate priorities and meeting business challenges. As local authorities continue to face austere times, the need for change has never been more important and the need for Digital transformation more relevant. It provides the opportunity to redesign the way in which the Council delivers services, to allow residents to have more control over how and when they access their services, to collaborate efficiently with communities and partners, and to support a culture of innovation.

3.12   A Digital Strategy will need to be developed to demonstrate how the Council will effectively use new digital platforms and web based digital technologies to improve service delivery and help drive efficiencies.

3.13   **An ageing Infrastructure:** Following the creation of the ICT Shared Service in July 2013 between Stevenage Borough Council and East Herts Council, significant effort in the first couple of years went into the creation of ICT services that met the needs of both councils and delivered savings in the region of £400,000.

3.14   To this end the ICT Shared Service delivered a shared network, data centres, corporate Wi-Fi, an ICT Service Desk and hosted desktops and delivered a range of projects from mobile working to customer payments. However over a period of years, primarily due to austerity in the Public Sector, much of the technical infrastructure that supports the Council's ICT has been under-invested in, and become aged,

unreliable, difficult to support operationally, and hard to maintain in a secure state. A substantial 'catch up' programme of work is now essential and needs to be built around sound strategic and architectural principles.

3.15 **Cyber Security:** the changing nature of cyber-attacks means that the ICT Partnership must manage the risk exposure of both councils and ensure that appropriate controls are in place to protect the information and data that is held.

3.16 **ICT skills gap:** Similarly to the ICT infrastructure until recently there has been a lack of investment in staff skills which has meant that the service has been lacking key technical capabilities to support the current infrastructure and the adoption of new technology. This has been addressed in part through the ICT Improvement Plan, however, there will be a need to permanently fund the additional capabilities and skills that have been recently recruited into the ICT Service.

3.17 **A complex and inefficient business application landscape:** Until recently ICT investments have been based on a bottom-up tactical approach, whereby operational teams within both councils have selected the technology solutions for their local area and presented these to the ICT team to implement. This approach has created a complex variety of systems, a lengthening list of outstanding requirements for new business applications, and a burgeoning need to update the supporting infrastructure technology.

3.18 This has resulted in both a complex and inefficient application landscape (143+ applications across the ICT Partnership), a heavy burden on the ICT team to maintain them, heightened security risks (as keeping them all fully patched and updated is a huge challenge), and insufficient free effort to address the ever-growing list of requested projects. Thus, the ICT Service has become a service that is both overloaded and often too busy to help, despite the best efforts of its dedicated staff, leading to reduced user satisfaction of services, the infrastructure receiving insufficient attention, and a significant degree of 'technical debt' accumulating.

3.19 The key considerations is that the underlying technical debt must be addressed, applications must be rationalised, the journey to the cloud must accelerate, governance must be further strengthened, and an overall strategic approach (as opposed to a reactive approach), in line with mandated principles of a new enterprise architecture that determines the type and number of business applications and systems, must be adopted.

3.20 It is important that this is done in a strategically planned and co-ordinated way, to avoid unwise tactical investments in short term fixes, duplicated solutions, and the procurement of hard to manage systems. In addition the digital revolution is changing both the way that customers want to engage with council services and the consequent efficiencies and increases in productivity with which the council can achieve through the adoption and deployment of ICT and digital solutions.

3.21 **The need for a strategic ICT approach:** For the ICT Service to properly support both organisations, the ICT Partnership needs a sound ICT Strategy that matches and supports its strategic aims and enables both councils to keep in step with developing technology.

3.22 The Council is facing challenging financial circumstances over the next three financial years and one of the main challenges for the ICT Partnership will be how to harness the potential of ICT to help maintain priority services and enable changes to service

delivery all within the context of reducing financial and staffing resources. The contribution ICT will make to these endeavours is must be set out in future.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

ICT Partnership Strategy 2019/20-2022/23

4.1 As part of the Council's integrated planning activities, a revised ICT Strategy in partnership with East Herts Council (EHC) has been prepared to cover the period 2019 to 2022. The ICT Partnership strategy is contained in Appendix A.

4.2 Best practice, as encapsulated in the new ICT Strategy, requires that SBC and EHC jointly take a strategically-planned, top-down, approach to technology, which will represent a change to past practice.

4.3 The strategy has been developed in consultation with the ICT Team, Business Transformation teams, service teams and with Members through business interviews, collaborative workshops, technological reviews, IT and service capability assessments, a Portfolio Holder Advisory Group Meeting and through an Informal Executive session.

4.4 A series of independent reviews of the ICT service have also been undertaken over the last two financial years to help inform the new strategy, these have included:

- Socitm (Society of IT Practitioners in the Public Sector) Review and Security Assessment - 2018
- SIAS Disaster Recovery Audit - 2018
- Annual Public Sector Network Assessment (and associated independent health check)
- Microsoft Navigator Discovery and Planning Sessions - 2018/19
- Service Governance Review completed in May 2018

4.5 Socitm and Microsoft and other external partners have helped to also validate the strategical approach outlined within the strategy to delivering a resilient and secure ICT offer that meets the future requirements of both SBC and EHC.

4.6 An examination of best practice in the sector, based on recently published ICT and digital strategies of other councils, along with advice from Central Government, shows that the Council is strategically aligned with others. The vital importance of a sound ICT infrastructure is universally recognised and the technical approaches (Enterprise Architecture, Digital Strategy, Software as a Service, a focus on cyber security, etc.) have been widely adopted.

Aim and Vision

4.7 The ICT Strategy articulates the ICT vision and objectives now and in the future. The Partnership vision is to create a modern and transformational ICT service that drives and supports delivery of joined up services to customers through the effective use of technology.

4.8 The strategy comprises the following:

- An introduction to the ICT Strategy, including reference to how the strategy aims to build on existing technologies and investments, support organisational transformation programmes, accelerate customer digital self-service and increase staff productivity.
- The ICT Partnership vision and the benefits of the Shared ICT Service
- The strategic ICT ambitions and strategic technology objectives and outcomes
- A clear commitment to green ICT and a set of ICT Guiding Principles
- The impact, benefits and strategic actions/deliverables for each strategic ambition
- The future profile of the ICT Service, describing the structure, operating model and the governance and monitoring arrangements
- The appendices to the strategy include further information of the investment priorities and the roadmap for delivery.

4.9   The Strategy sets out a framework for technological change and adoption. A series of four ambitions have been identified that capture the underpinning strategies, plans, and actions that will be required in order to deliver the ICT vision.

Ambition 1: Empowered Customers.

4.10   The Council will invest and deliver new digital customer facing services through its Connected to Our Customers Programme. In providing this the Council will improve the responsiveness, availability and usability of services. This will accelerate the take up of online services by customers. As a Co-operative Council user experience and customer focus will be at the heart of the design and evolution of council services. The Council as a result will deliver end to end solutions that provide a more responsive and cost effective service offer to its customers.

4.11   **Digital by Choice:** It is the ambition of the Council to be 'Digital by Choice', so that customers will choose to interact with services through digital channels, rather than by phone, email, letters or face-to-face, because digital interaction will be compellingly easier, quicker, and more convenient.

4.12   Ensuring residents and businesses can access key transactional services and information 24 hours, 7 days a week is a key priority of the Council as outlined within the Future Town, Future Council Connected to our Customer Programme.

4.13   **New Corporate Website and Customer Experience Platform:** The Council will be launching a new website during 2019/20 and have recently procured a 'Customer Experience Platform' called Firmstep which will both form a central point of information and will in part enable 24/7 self-service channels for customers. The value of the new customer platform is that it will integrate with back office systems and enable systems to work seamlessly together and processes to be automated to the benefit of customers. The adoption of more responsive and flexible service delivery methods will achieve costs reductions (for example in Customer Services, premises and transport). How the new Customer Experience Platform is to be fully integrated will be captured as part of a future Digital Strategy.

4.14   **Digital Strategy**: The Council is committed to develop and published a Digital Strategy during 2020 and to launch a major Digital Programme in future years, aimed primarily at streamlining the way customers interact with the Council, but also seeking to achieve internal efficiency improvements. There is an opportunity to do this in

partnership with EHC and/or align digital programmes and projects in the future that benefit both councils.

4.15   Digital technology is developing at a significant pace. Through a new Digital Strategy the Council will be seeking to be at the leading edge in its adoption, and see its importance in meeting strategic aims such as the delivery of a new Co-operative Neighbourhood Management working model. The ICT Strategy investment plans will fund the necessary improvements to the ICT infrastructure and network, corporate applications and project and change management capacity, but we will need to look at other digital costs and possible savings as part of a new Digital Strategy.

4.16   The future Digital Programme will exploit developments in Artificial Intelligence (including 'robotic process automation') and Business Intelligence to improve the efficiency and effectiveness of the council's operations. As Artificial Intelligence develops further, with self-learning systems emerging that can perform more of the work currently done by people (but faster, cheaper and more accurately), the ICT Partnership will look to adopt this technology.

4.17   **Digital enablement**: will be important to this and helping and empowering those users (mostly but not exclusively older people) who currently lack digital skills.

4.18   There will be support at the local community level, helping people to use information and communications systems, including where appropriate the Council's systems, to connect, communicate and share information, thereby assisting and empowering them in their self-support, and contributing further to the development of strong communities. These and other initiatives will also help the Council to meet the looming challenges of supporting vulnerable customers and an ageing population that is living longer but not always in good health, and sometimes with the added burden of isolation and loneliness.

4.19   Other digitally-related technologies will come to the fore over the timescale of this strategy, and it is likely that the 'Internet of Things' will start to figure not only in our work on smarter workplaces but also in relation to smart homes.

Ambition 2: Consolidation, simplification and standardisation of the ICT and digital estate.

4.20   The ICT Partnership has a real opportunity to consolidate, standardise and simplify its current technology estate. Through the design and adoption of a new Enterprise Architecture the Council will improve the integration and connectivity between services and more streamlined processes will unlock significant efficiencies and direct funds to frontline service delivery.

4.21   **A new Enterprise Architecture**: will lay out the fundamental design of ICT and digital services going forward. The strategy defines the architectural principles that the ICT Partnership will apply.

4.22   As previously mentioned the ICT Partnership is currently running a significant number of business software applications. Adopting a new Enterprise Architecture will enable the standardisation, simplification and rationalisation of existing applications to achieve cost savings, simplify support and aid cross organisational working. Where practical the ICT Service in future will seek to work with service teams to standardise similar business processes, simplifying the requirements for supporting information systems.

4.23   SBC in partnership with EHC will develop and execute an application rationalisation roadmap that allows both councils to achieve the desired Enterprise Architecture. It is not thought practical to source one solution that meets the needs of the ICT Partnership therefore the best of breed business solutions will be sourced, interfaced and shared as required.

4.24   A new Enterprise Architecture will ensure that the Council has the right corporate and business systems in place to support future partnership wide transformation programmes and initiatives, accelerate self-service digital delivery for customers and increase staff productivity through opportunities for more flexible and mobile working.

4.25   It will be important that all service related ICT needs are interpreted in the context of the organisation and the ICT Partnership as a whole, its existing and planned infrastructure, and the architectural principles it has adopted. Under the proposed strategy the ICT Service will actively engage with services to understand departmental strategies and priorities, and translate them into ICT solutions in an organisational wide context. This will help to minimise the proliferation of spot solutions, helps avoid investment in technology that is incompatible with other council systems or dead end technologies and will help leverage the use of solutions that already exist across the ICT Partnership.

4.26   The current estate of 143+ applications is extreme and best practice elsewhere indicates that an estate across SBC and EHC of 100 or so applications is a realistic goal to aim for. This may require some compromises, but will be overall far more efficient and cost effective for the ICT Partnership as a whole, will allow applications to be properly supported, and will assist in the provision of training and recruitment of local super users. Any future investments in business applications must be based on full business cases, approved through the ICT governance structure, and incorporating planned benefits realisation, metrics and the recouping of planned financial savings.

4.27   **A resilient and secure infrastructure:** A key element of the strategy is how the ICT Partnership will continue to maintain, support and develop resilient infrastructure and systems to meet the changing environment within which the Council operates. Actions in this area reflect the Council's desire to invest in ICT where it is appropriate to do so.

4.28   An up to date infrastructure is at the heart of any good ICT Strategy providing a secure, stable and reliable platform for both virtual and physical systems that provide storage, data flow, analysis and processing of data.

4.29   The ICT Strategy aims to build on existing technologies and investments and will deliver a high performing, resilient and secure infrastructure that will give both councils the confidence to take forward their digital delivery ambitions to the benefit of local residents.

4.30   The strategy and supporting roadmaps details the essential improvements to the underpinning infrastructure (servers, Wi-Fi and cabling, databases and information storage and explains how security improvements (of which many are in hand) must continue. The need to better address disaster recovery is also outlined including the current procurement of a microwave solution that will remove the single point of failure between Daneshill House and Cavendish Road sites.

4.31   **Network devices:** the current network devices are ageing in most areas, with some elements such as switches being 13 years old (8 years beyond its expected life span). This is unsustainable and is seriously affecting the performance of core systems. The benefits of constructing a new network will be an improvement in the speed of business applications, improve availability of systems and the reduced chance of security breaches.

4.32   Dependent upon the Enterprise Architecture that is adopted there may be a future requirement to put in place web acceleration technology that allows the prioritisation of data flow to cloud based services.

4.33   **Technology lifecycles**: The introduction of technology lifecycles and rolling change programmes will ensure every component of the ICT infrastructure has a defined usable lifespan, which will be determined by a range of factors, the speed at which it runs, supportability, reliability and compatibility with new systems.

4.34   Financial forecasting must take into account these life cycles to ensure systems are and continue to be 'fit for purpose' and the ICT Partnership in future avoids a future technology debt. An infrastructure replacement programme will be established by the ICT Programme Management Office to enable good financial planning.

4.35   **Cloud Strategy:** The Council will look at cloud based solutions when applications and systems need to be replaced or during the implementation of new solutions. If a cloud solution is the only available solution, is cost neutral or brings considerable other benefits then it should be considered. However where there are also self-hosted solutions these will also be appraised in light of the restricted finances of the Council and the significant increase in revenue costs that most clouds solutions bring.

4.36   **Microsoft Office 365**: A key deliverable of the strategy will be the provisioning of Microsoft Office 365 which will move email, word, excel and unstructured data into the cloud during 2019-20. The benefit of Microsoft Office 365 is that it provides a wide range of additional Microsoft services such as Intune, Teams and many others. Being a cloud hosted solution it will bring improved system resilience and performance. As an evergreen product the ICT Partnership will benefit from timely upgrades and patching as this will be automatically delivered by Microsoft.

4.37   **New Virtual Desktop Infrastructure (VDI):** The ICT Partnership is at present using end of life VMWare software to host business applications. New VDI technology has been procured and through rolling out the proposed strategy the ICT Service will implement new hosted (VMWare) desktops during 2019/20. New Virtual Desktop Infrastructure will be a core component of the ICT Service with the benefits of increased flexible working, reduced process and file sharing, improved security, centralised backups and reduced costs as it is much easier to support and maintain.

Ambition 3: Working Smarter.

4.38   The ICT Partnership will build a culture of innovation where SBC and EHC make the best use of the creative talents of staff, Members, partners and customers to improve working practices and processes. The ICT Partnership will provide mobile ICT and digital services and tools that allow staff and Members to work anywhere at any time.

4.39   **Service Transformation and Modern Working Practices:** The ICT Partnership will use ICT to allow each council to embrace modern working practice, rationalising office accommodation requirements, eliminating unnecessary bureaucracy and

administration, and supporting community based service delivery. Change is difficult to achieve and requires input, direction and support from the leadership team to deliver the ICT vision and ambitions set out in the ICT Strategy. Both SBC and EHC have aspirations to deliver service transformation through ICT and digital solution enablement.

4.40   The Council will develop new digital transformation strategies that set out how the organisation will use digital platforms, hosted desktops, Office 365, business applications and innovative technology to redesign service delivery models and supporting processes.

4.41   **Innovation Board and Forum:** The Partnership will create an Innovation Board where staff can present ideas on how existing and new technology could be used to improve service delivery and remove inefficiencies in the way that they work.

4.42   An Innovation Forum to discuss emerging industry trends and technology will promote idea generation across the Partnership. This will help embed a change culture across the Partnership, limiting duplication of effort and investment and increasing knowledge sharing.

4.43   **Digital enablement of council staff and Members**: An internal culture change and training programme will need to be a significant part of the future Digital Programme. This is an area that has had insufficient attention in the past, when it has been apparent that simply introducing a technology into the business has not always led to its successful adoption, or the realisation of anticipated benefits.

4.44   **Technology Advisory Partner(s)**: Given the potential volume and complexity of transformation required, the ICT Partnership through the ICT Strategy will appoint a Technology Advisory Partner(s) to help fully adopt and deploy Microsoft Office 365 applications and fully exploit their benefits. They will also support the development of a Digital Strategy(ies) and provide a realistic roadmap to aid delivery. Finally they will enable both SBC and EHC to drive and accelerate the adoption of change by engaging end users and ICT Professionals to understand new ways of working and the impact and benefits of those changes. New approaches to adoption and change management and modern service management will enable managers and employees to maximise the benefit from new digital services and tool, facilitating their tasks and increasing their productivity. Ultimately it will allow the ICT Partnership to realise business value from its technology investment.

4.45   **Hardware Devices:** The ICT Strategy makes specific proposals in terms of end-user devices, service desk support, and the need to rationalise the number and type of devices (2000+ devices) and the number of operating systems (20+) that need supporting across the ICT Partnership.

4.46   The move to a more flexible and digital workforce where staff are empowered to work in the community, at home and via hot desking will be facilitated through the effective provisioning of hardware such as laptops, tablets and smart phones.

4.47   Currently there are no budgets in place for device replacement for Officers or Members. In future it is proposed that the Council will correct this by allocating an annual capital budget to ensure the timely provisioning of new devices for staff and Members. Members should receive new devices during 2020/21 as part of the programme.

Ambition 4: Improved ICT Governance and Security .

4.48   The ICT strategy sets out the actions that will be taken to ensure the effective and efficient management and delivery of ICT services. These actions reflect the need to improvement ICT governance and the need to ensure that the appropriate ICT skills, training and associated project and performance management processes are in place. Action has and will continue to be taken to ensure the most effective and sustainable operating model is adopted that meets the changing needs of the ICT Partnership.

4.49   **Good Governance:** The importance of good governance is outline in the strategy, covering both the business as usual operations, but also projects for new ICT systems. Strong governance through the ICT Partnership Board, ICT Steering Group and a new Member ICT Group will allow progression from the current era of order-taking, with a long list of projects to be done, into a new era of strategic planning, robust business cases with future savings factored into budgets, and a strong focus on benefit realisation.

4.50   A standardised policy framework will ensure a high level of security is met across the entire ICT Partnership's network. To continue to have differing ICT policies applied across SBC and EHC is not only technically difficult but will cause problems when it comes to enforcement, so in future where applicable all policies will be universal to the two councils.

4.51   **Information Security**: is a critical focus within the strategy given the increase in the amount of cyber threats faced by the ICT Partnership and the diverse ways that information can now be shared. The strategy places a great emphasis on protecting ICT systems against threats and maintaining constant vigilance to protect both councils against any new threat.

4.52   Creation of the new Security and Networking team has already focused work on new security arrangements. Projects have been identified and are captured in the ICT roadmap which are high on the security radar such as a new firewall and switch replacements.

4.53   The ICT Partnership is committed to deploying the latest anti-virus, malware, and email filtering and encryption software to protect both councils' systems and data across the ICT network. The achievement of the Public Services Network (PSN) Code of Compliance will continue to be an annual objective along with Cyber Essentials Plus accreditation.

4.54   Cyber security risk assessments will be carried out when selecting new systems, online services or implementing digital processes.

4.55   The strategy highlights the continued requirement for staff and Members to be trained on data protection requirements relating to their positions.

4.56   **ICT Team**: The functions of the ICT Service are described within the strategy, and it is proposed that a future permanent structure be formed along these functional lines. These include the permanent funding of a new Security and Networking, ICT

Programme Management Office and strengthening the Service Desk and Business Information Systems Team.

4.57   A proposal is being developed on how a new joint Information Governance Team could be established for SBC and EHC to cover the ICT Partnership's data protections statutory requirements.

4.58   **Sourcing Strategy:** The adoption of a single ICT Strategy for SBC and EHC and an associated ICT roadmap will enable the Council to make better strategic investment decisions, based on agreed objectives and outcomes as opposed to short term tactical business priorities. In future technology purchases will need to conform to the new Enterprise Architecture and the associated ICT design and guiding principles within the strategy. Making technology purchases in line with the strategy will be an important discipline. Failure to do so could impact the business and affect the ICT Services ability to execute the ICT Implementation Plan.

4.59   **ICT Implementation Plan:** The gap between ICT as it is, and ICT as determined by the vision, forms the basis of the plan of action. The ICT Implementation Plan (as it currently stands) that captures the key deliverables across the four strategic ambitions can be seen in Appendix B. The implementation plan has been stress tested and will continue to be done so quarterly by the ICT Partnership Board to ensure delivery focus is maintained and realistic.

4.60   A strong project management approach is to be taken to ensure the delivery of the plan. The intention of the ICT Partnership Board is for iterations of work programmes to be developed, each of which will be published with a corresponding implementation plan or roadmap. The plans will be submitted for approval in line with the ICT Partnership governance arrangements, culminating in an evolving ICT Strategy. These plans in future will include, a new Enterprise Architecture that incorporates the consolidation, simplification and standardisation of business systems, the Digital Strategy and finally business priority led delivery projects such as the replacement of Geographical Information Systems.

4.61   **Performance Monitoring and Progress Reporting:** The ICT Partnership Board will receive a monthly performance report that will monitor progress against the ICT roadmap and ICT management KPIs.

4.62   A Members ICT Group led by the Portfolio Holder for Neighbourhoods and Co-operative Working is also to be established and will receive quarterly ICT reports to provide full transparency over the state of all ICT projects and programmes. Regular progress updates will also be provided to the Council's Executive and Audit Committee.

4.63   **ICT Shared Service Agreement**: The Council entered into an ICT Shared Service Agreement for an initial five years with East Herts Council in 2013. The recommendation is that the Council should enter into a further 3 year partnership agreement to coincide with the lifespan of the proposed ICT Partnership Strategy. Both council's through the delivery of the strategy will continually look to achieve maximum value for money from their ICT investments.

4.64   The success of the shared ICT Strategy depends on close working between SBC and EHC. This includes exploiting and promoting common software and hardware solutions across organisations.

4.65   It is therefore recommended that delegated authority should be given to the Strategic Director (TP) who is the appointed representative on the ICT Partnership Board to negotiate and agree a new 3 year Partnership Agreement and funding model having consulted the Portfolio Holder for Communities and Neighbourhoods and the Portfolio Holder for Resources.

All Options Considered

4.66   **Do Nothing:** Failure to adopt the ICT Strategy will result in increasingly poor levels of service, and the risk that the Council will not be able to deliver its services effectively.

4.67   **Propose spot fixes and short term extra resource:** Spending additional funds by increasing the size of the ICT team short term, and adopting solutions that have been proposed to meet limited local needs would be an expensive way of propping up a fundamentally flawed ICT landscape, and would lead to spiralling costs and further declines in service quality. Such an approach would not be sustainable and would likely lead to the growth of 'shadow IT', with departments seeking their own solutions from external providers without the involvement of the ICT team, thereby risking overall security, achieving poor value for money for the Council, and limiting the Council's ability to make best use of its data.

4.68   **Adopt a strategic approach: recommended**. ICT exists only to support the needs and successful operation of organisation, and an ICT Strategy must operate top down if it is to achieve this. The approach recommended provides a logical flow from corporate to operational needs, examines relevant technology trends and best practice, examines where the ICT Partnership's current provision is and where it falls short, paints a vision of a desirable and achievable future state, and proposes how to get there, in the context of improved organisational governance. It is recommended that this approach is adopted. The ICT strategy and to follow a Digital Strategy will be significant enablers for the Council to meet its strategic needs, both will ensure that the present 'log jam' of poor service, frustrated users and a difficult to maintain ICT landscape is resolved.

4.69   The draft ICT Strategy will be presented and considered by Members at East Herts Council in December 2019.

4.70   Upon approval of the ICT Strategy a public facing digital document summarising the key ambitions and ICT projects will be produced and placed onto the Council's website. The ICT Strategy has also been captured as a 'plan on a page' as an easy reference document for staff and Members and can be seen in Appendix D.

5   IMPLICATIONS

5.1   Financial Implications

ICT Strategy Revenue Pressures

5.1.1   Members will be aware that at budget setting for 2019/20 there was identification of some potential future years' pressures and consequently an ICT Revenue Reserve was established.

5.1.2   During 2019/20 this has helped to fund additional staffing costs pending the adoption of the ICT Strategy and then a further £70k of ICT pressures in year. This has left an in year pressure of £65k (reported in the Q1 revenue report, General Fund Medium

Term Financial Strategy and now incorporated in the 2019/20 working budget). In addition there are future costs (2020/21 to 2022/23) estimated at £926,578k as shown in the table below. These costs relate to the Technical Advisory Partner for Office 365, storage, a microwave solution and one off consultancy for digital innovation. A breakdown of these pressures can be seen below

Table One: ICT Revenue Pressures (indicative)	2019/20 £	2020/21 £	2021/22 £	2022/23 £
VM Ware Licences – (Hosted desktop)	45,000	45,000	45,000	45,000
Additional ICT Posts		137,926	137,926	137,926
Storage Support	9,600	9,600	9,600	9,600
Cyber Security Incident Management Procedure and Disaster Recovery		5,000		
Microwave Solution Support	3,500	5,000	5,000	5,000
Enterprise Architecture	43,000			
Technology Advisory Partner(s)	100,000	334,000		
General Fund ICT Pressure	64,920	356,253	131,157	131,157
HRA ICT Pressure	66,500	180,273	66,369	66,369
ICT Revenue Funding:	2019/20 £	2020/21 £	2021/22 £	2022/23 £
General Fund:				
General Fund Medium Term Financial Strategy ICT Funding Assumption	64,920	353,440	129,960	129,960
Total funded	**64,920**	**353,440**	**129,960**	**129,960**
(Unfunded)/over funded growth	**0**	**(£2,813)**	**(£1,197)**	**(£1,197)**
HRA:				
HRA Business Plan Funding Assumption	66,500	174,090	63870	63870
Total funded	**66,500**	**174,090**	**63,870**	**63,870**
(Unfunded)/over funded growth	**0**	**(£6,183)**	**(£2,499)**	**(£2,499)**
Total under funded	**0**	**(£8,996)**	**(£3,696)**	**(£3,696)**

*the total pressure figure takes into account the use of the ICT Reserve Budget during 2019/20

5.1.3 The majority of the increased ICT revenue costs have been assumed for General Fund and HRA MTFS modelling purposes and 2019/20 pressures were outlined within the Quarter 1 Revenue Monitoring Report for the General Fund and Housing Revenue Account.

5.1.4 It is recommended that the Executive note and support the funding of future years known pressures (subject to available funds). Council will be asked to approve the additional resourcing requirements through the General Fund and Housing Revenue Account annual budget setting process for 2020/21.

5.1.5 As the ICT Strategy progresses, the ICT Partnership will increasingly reduce its estate of business applications and will purchase more software as a service (cloud based applications) where there is a clear business case to do so. This will replace what were capital costs in the past with revenue costs. It has not yet been possible to map these out in detail, in part because the Enterprise Architecture needs to be

designed and approved and in part because the application rationalisation project (a planned project within the strategy) will potentially cull the number of existing business applications, and remove their annual maintenance charges. There should also be other savings associated with the reduction in effort to support a large estate of business applications. These specific revenue implications of the strategy cannot therefore be detailed at this time, but will become apparent by the end of the first of its three years.

5.1.6 The core annual revenue budgets of the ICT Service have recently been reviewed in conjunction with East Herts and the new financing model will be incorporated into the new ICT Partnership Agreement. Council will be asked to approve any increase in core ICT revenue costs through the General Fund and HRA budget setting process for 2020/21.

ICT Strategy Capital Requirements

5.1.7 The ICT capital requirements and timing of investment has been updated based on the currently known programme. Over the next five years the programme has been brought forward requiring budgets to be re-profiled to match the revised plans as shown in the table below.

Table Two: ICT Capital Requirements	2018/19 actual £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total £
ICT **General Fund** Capital Requirement	218,149	554,733	449,886	218,392	60,892	tbc	1,502,052
ICT General Fund Capital TA	0	38,333	38,333	38,333	38,333	0	153,332
Total General Fund ICT Capital Requirement	**218,149**	**593,066**	**488,219**	**256,725**	**99,225**	tbc	**1,655,384**
ICT Capital Budget based on Feb 2019 Capital Strategy	282,690	421,100	300,000	300,000	300,000	300,000	1,903,790
Profile of General Fund ICT budget as per Q1 2019/20 Capital Monitoring Report	282,690	579,890	87,100	50,250	300,000	600,000	1,899,930
ICT **General Fund** Capital re-profile required		13,176	401,119	206,475	(200,775)	(600,000)	
ICT **General Fund** cumulative (surplus)/shortfall							(180,005)
ICT **HRA** Capital Requirement	105,772	329,142	267,564	131,606	39,105	tbc	873,188
ICT HRA Capital TA	0	19,167	19,168	19,169	19,170	0	76,674
Total HRA ICT Capital Requirement	**105,772**	**348,309**	**286,732**	**150,775**	**58,275**	tbc	**949,862**
ICT HRA Capital Budget based on Feb 2019 Capital Strategy	262,920	191,970	151,890	156,890	156,980	306,980	1,227,630
Profile of HRA ICT budget as per Q1 2019/20 Capital Monitoring Report	105,772	301,350	42,900	24,750	156,980	306,980	938,732
ICT HRA Capital re-profile required		46,959	243,832	126,025	(98,705)	(306,980)	
ICT **HRA** cumulative (surplus)/shortfall							11,130
Total Capital Requirement	323,921	941,375	774,950	407,500	157,500	tbc	**2,605,246**
Total ICT Capital Budget as per Q1 Capital Strategy Report (Sept 2019)		881,240	130,000	75,000	456,980	906,980	2,754,890

Table Two: ICT Capital Requirements	2018/19 actual	2019/20	2020/21	2021/22	2022/23	2023/24	Total
ICT Capital re-profile required		60,135	644,950	332,500	(299,480)	(906,980)	
ICT Shortfall/(Surplus)based on Capital Strategy Report Feb 2019 Figures							(168,875)

5.1.8 Over the five year programme there is a projected saving of £168k from the initial proposals approved in February as part of the capital strategy. However, Members are asked to note that this strategy brings the Council's ICT infrastructure and systems to a level fit for purpose. With the design and adoption of a new Enterprise Architecture, a new Digital Strategy and Supporting Programme there are likely to be significant additional revenue and capital investment requirements that will need to be addressed through future annual budget setting processes and future ICT capital bids will be required to maintain this level. These future bids and the funding requirements for 2023/24 which are currently unknown have not been included within this strategy document.

5.1.9 An itemised breakdown of the capital requirements can be seen in Appendix C.

5.1.10 It is recommended that the Executive note and prioritise the currently known ICT capital funding requirements. The re-profiling of future years ICT Capital Programme allocations will be reported to the Council through the General Fund and Housing Revenue Account Capital Programme budget setting process for 2020/21.

5.1.11 As already highlighted East Herts Council Members will be considering the draft strategy in December and will be equally asked to match fund the ICT capital and revenue investment programme.

5.2   Legal Implications

5.2.1   There are no direct legal implications relating to the ICT Strategy.
5.2.2   The ICT Shared Service is currently governed by a partnership agreement with East Herts Council. The original 5 year agreement between the two councils ended in August 2018 and has been extended temporarily whilst the ICT Strategy is being developed.
5.2.3   There is now a need for a new agreement to be drafted and entered into and delegated authority is sought for the Strategic Director (TP) to negotiate and approve a new partnership agreement with EHC.
5.2.4   The General Data Protection Regulations and Date Protection Act 2018 came into effect in May 2018. This legislation has repercussions for the access to, and use, of personal and sensitive information. Whilst this is not directly technology legislation, the ICT Service has an important role to ensure that all electronically stored data and information is managed effectively and stored securely. The implementation of new firewalls and security components and software will help the Council to meet its data protection legal obligations.

5.3   Equalities and Diversity Implications

5.3.1   Officers have considered the proposals set out in the report and the ICT Strategy in light of the various Public Sector equalities duties imposed on the Council. An

Equalities Impact Assessment has been completed and is a background document to this report – BD1.

5.3.2   At this stage the proposals impact on staff and customers is either neutral (in that there are no discernible equalities impacts) or positive. In the main the proposals make an indirect, but positive contribution to equality and diversity as the proposals will help enable the delivery of new digital channels that may be easier for people with certain kinds of disability to use than existing channels. The proposed new business tools for staff and Members will also improve people's ability to work remotely and more effectively out in the community to the benefit of residents.

5.4   Risk Implications

5.4.1   The key risk, if the Council does not approve the approach recommended in the strategy, is that the quality of ICT services provided will continue to decline, as the technical debt grows, and the increasingly overloaded ICT team have progressively less time to modernise the ICT estate or attend to service requests.

5.4.2   A summary of the main risks relating to failure to adopt the ICT Strategy can be seen below:

- Technical Debt not addressed: If the existing infrastructure is not updated, the effort and cost to maintain the existing infrastructure will continue to grow, and the security risks will rise.
- Bottom up approach to business unit/service needs continues: If a strategic approach to service needs is not adopted, the Balkanisation of the estate will grow and the overall value for money achieved will diminish. Interoperability will also suffer, and the ICT Partnership's ability to make best use of its data assets will diminish.
- Failure to attend to service and customer needs: If the current approach continues of having services determine their technical solutions, then adding their proposed implementation projects to the ICT team's backlog, then not only their frustration grow but they will be increasingly tempted to adopt a 'shadow IT' approach, commissioning solutions without going via ICT, this will have multiple disadvantages, in terms of potential security risks, poor value for money, interoperability challenges, and reduced ability to coalesce and analyse data at a strategic level.
- Failure to deliver a secure and resilient 'hybrid' (on premise and cloud based) infrastructure: The current infrastructure is ageing and most components need replacing. Failure to replace hardware and software will mean that the ICT Partnership will continue to experience poor systems performance and will be greater exposed to security risks and significant technical failures including potential loss of business data.
- Overall if the ICT Strategy is not adopted the existing service will continue to decline, and there will be almost irresistible pressures to increase the ICT Service further than proposed in the strategy, simply to 'keep the infrastructure lights on', and avoid what could be increasingly common system outages. This will then represent poor value for money for a poor service.

5.5 Asset Management Implications

5.5.1 An audit of all software and hardware is currently underway which will help to inform a new ICT applications and hardware asset register. This will ensure that there is improved management and disposal of ICT assets across the Council.

5.6 A Commitment to Green ICT

5.6.1 The progressive move to smarter technology and cloud based solutions will reduce energy costs for the Council and will be a more environmentally appropriate way of delivering ICT.

5.6.2 The ICT Partnership is committed to ensuring where possible it reduces its carbon footprint. As stated within the ICT Strategy this will be achieved through:

- Continuing to optimise the ICT Partnership's application portfolio. Only those applications that are essential to the running of the organisation will be maintained. We will apply application lifecycle management to ensure that for all systems there are reviews in place to identify future development, replacement or cessation requirements.
- Maximising the use of existing applications and hardware including the reuse of devices where possible and equipment disposal will meet WEEE requirements. Where possible, third sector organisations will be used for recycling of legacy equipment.
- We will take into account the total cost of ownership, including energy and disposal costs, over the lifecycle of a device or system, not just the procurement costs.
- Environmental criteria will be specified for all new devices including energy consumption and robust energy management facilities.
- Developing and promote 'paper-light' environments in which documents are stored and shared electronically.
- The introduction of new Hosted Desktops and software such as Office 365 we will deliver targeted benefits include a reduction in travel costs and other environmental benefits including reductions in CO2 emissions.
- Improving the efficiency of servers to ensure resilience and performance, deploying desktop and server virtualisation which can extend the life of devices.
- The development of print strategies that gradually reduce the need for print through the adoption of electronic only media and the use of multi-function networked devices.
- Integrating the cost of technology into the design of new public buildings to minimise energy consumption and other running costs.

5.7 Staffing Implications

5.7.1   During 2019/20 the Council temporarily funded with EHC the creation of an ICT Programme Management Office, a Security and Networking Team and also allocated resources to strengthen the ICT Information Systems Team and Service Desk. Under the new ICT Service proposals these additional staffing resources will be incorporated permanent within the service and will be captured through the 2020/21 budget setting process.

BACKGROUND PAPERS

- BD1 Equalities Impact Assessment

APPENDICES

- Appendix A: ICT Partnership ICT Strategy 2019-2022
- Appendix B: ICT Strategy Implementation Plan
- Appendix C: ICT Strategy Plan on a Page
- Appendix D: ICT Investment Projects and Funding Requirements

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ICT Partnership Strategy

2019/20 – 2021/22

(East Herts Council and Stevenage Borough Council)

DRAFT

Authors: Simon Russell, Strategic ICT Partnership Manager

Richard Protheroe, Interim Strategic Director

Revision History

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16 June 2019	0.1	Initial Draft	Simon Russell
17 July 2019	0.2	Amendments	Simon Russell/Richard Protheroe
2 Sept2019	0.3	Final Draft	Simon Russell/Richard Protheroe

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Glossary

ACM	**A**doption and **C**hange **M**anagement, a Microsoft service to help the Partnership to prepare for and manage change, therefore help ensure adoption. The service focuses on achieve more value from investments by carrying out plans for communicating changes, readiness and training, and support.
API	**A**pplication **P**rogramme **I**nterface is a gateway that allows software to talk to other software and also defines how that conversation takes place.
BDO	**B**inder **D**ijker **O**tte a company that provide audit and assurance services
Cloud	Cloud computing is storing and accessing data and applications over the Internet instead of your computer's hard drive, Cloud can be used for storing just data but can also be used for run applications sometimes known as SaaS.
Critical Path	Longest sequence of activities in a project plan which must be completed on time for the project to complete on due date. An activity on the critical path cannot be started until its predecessor activity is complete; if it is delayed for a day, the entire project will be delayed for a day unless the activity following the delayed activity is completed a day earlier.
CRM	**C**ustomer **R**elationship **M**anagement is a technology for managing all Partnership's relationships and interactions with citizens and businesses. It provides a history of previous engagements with citizens and business making interactions much easier.
DPA	**D**ata **P**rotection **A**ct
Firewall	A Firewall is a network security device that establishes a barrier between a trusted internal network and an untrusted external network such as the internet. The Firewall acts as a filter and therefore is crucial to the security of the internal network it protects. The general life span of a Firewall is 5 years, out of date firewalls risk being "hacked" and the network becoming vulnerable to attack.
GDPR	**G**eneral **D**ata **P**rotection **R**egulation
Hosted Desktop	Technology that hosts a desktop operating system and its applications/data on a centralized server which is then accessed remotely, also known as a Virtual Desktop.
Hybrid Infrastructure	Is composed of a combination of on-premises data centers, private clouds and/or public clouds. Enterprise systems and

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applications can be deployed on any of these environments, depending on the strategic business need, the tactical requirements and the required outcome

ICT

Information and **C**ommunications **T**echnology is a term for information technology (IT) that stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals) and computers, as well as necessary enterprise software, middleware, storage, and audiovisual systems, that enable users to access, store, transmit, and manipulate information.

Latency

Network Latency is either "one-way", the time from source to destination, or more commonly "round-trip delay time", the time it takes between a requests and a response (excluding destination processing time). From a user's perspective, for example on a VDI device, if I start typing, what the delay from when a key is pressed to when I see it appears on the screen.

Malware

Short for "Malicious Software", it is code specifically designed to gain access to or damage IT systems. There are various types of malware, including spyware, ransomware, viruses, worms, Trojan horses and adware.

MSM

Modern **S**ervice **M**anagement is designed around ITIL practices, but with the additional speed, agility and automation required to support rapidly changing business needs. Through the use of data-driven analytics and advanced algorithms, modern service management seeks to systematically remove waste, improve efficiencies, cut costs and delight end users.

On Premises

Technology (including Software and hardware) that is located within the physical confines of the Partnerships offices / data center – as opposed to running remotely on hosted servers or in the cloud.

OSS

Open **S**ource **S**oftware is software with its source code made available with a license in which the copyright holder provides the rights to study, change, and distribute the software to anyone and for any purpose. Open-source software may be developed in a collaborative public manner.

PSN

Public **S**ervices **N**etwork compliance enables access to Internet content and shared services to be controlled.

SaaS

Software **as a S**ervice is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software". SaaS is typically accessed by users using a thin client, e.g. via a web browser

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SOA   **Service Oriented Architecture** is an architectural methodology/ best practice around specifying separation of responsibility from a business oriented view into independent services which is communicated by an API. This applications to be less isolated and fosters service re-use.

Socitm   Is the operating name of the Society of Information Technology Management, a professional body based in the United Kingdom representing people involved in the leadership and management of IT and digitally enabled services delivered for public benefit.

Softphones   A softphone (software telephone) is an application program that enables voice over Internet Protocol (VoIP) telephone calls from computing devices. Most softphone applications work in conjunction with a headset and microphone, a specialized VoIP phone. Although softphones are most often associated with mobile or home users, office workers are also choosing to use softphones as a convenient replacement for traditional desk phones.

Switch   A Switch is a key hardware component of the network; it has a number of ports, normally 50 for a large network, which Ethernet cables are plugged into. The switch links devices together, everything from Servers, printers, laptops, desktops to IP Phones. Switches, you will normally find a "rack" of switches together, manage the flow of data across the network, transmitting data only to the one or more devices for which the data is intended. Each networked device (such as a laptop) can be identified by its network address, allowing the switch to direct the flow of data maximizing the security and efficiency of the network. Therefore it is critical for the stability, reliability, security and speed of the network, that switches are keep up to date, maintained and within their lifespan, normally 6 years. Older switches are vulnerable to hardware failures and

VDI   **V**irtual **D**esktop **I**nfrastructure is a technology that hosts a desktop operating system and its applications/data on a centralized server which is then accessed remotely.

WEEE   **W**aste **E**lectrical and **E**lectronic **E**quipment recycling European Community Directive 2012/19 become European Law in February 2003

Zero Client   Zero Client is a small device that serves to connect a keyboard, mouse, monitor and Ethernet connection to a remote server. The Partnership use these devices on "Hot Desks" to give access to the VDI environment, therefore any Partnership users can go to any "Hot Desk" or work from a remote location and log on to their desktop and access their applications/data. The Benefits over a traditional desktop PC or laptop include, 1/50th power usage,

much cheaper to purchase / support and secure way of delivering applications/data

Foreword

The next three years will witness significant changes across the public sector. The shape and size of councils are likely to change but the need to provide high levels of service to residents will remain and be set against a backdrop of further reduced budgets.

With these challenges will come new opportunities; using ICT to enable both councils to achieve efficiencies, providing the infrastructure to front line and shared services and most importantly, keeping pace with customers' changing needs and expectations.

Throughout the period of this strategy, ICT will underpin and support the strategic objectives of both East Herts Council and Stevenage Borough Council. ICT is no longer just a support service; it has become a critical service. If it is unavailable, organisations cannot operate. It has the ability to transform the way services are organised and delivered. It has a fundamental role to play in improving efficiency, reducing cost across the organisation and underpinning the organisational change programme. This strategy sets out how we will ensure that ICT will support services in responding to these challenges.

We will begin the process of standardisation and simplification of our ICT systems and applications based on the premise of a common resilient and secure infrastructure and a new Enterprise Architecture designed to enable local service delivery suited to local needs.

Demand for public services and expectations of levels of service are ever increasing. Residents and businesses expect the same levels of access and personalisation that they see online from large private sector organisations such as Amazon. They expect to be able to access their services from multiple locations and in ways that suit them. Our strategy will place a strong emphasis on providing choice in the way people access services, by utilising digital platforms and applications. This will ensure maximum choice to respond to individuals' circumstances and preferences, and the provision of quick and effective responses.

We will use ICT to allow each council to embrace modern working practices, rationalising office accommodation, eliminating unnecessary bureaucracy and administration, and supporting community based service delivery.

Investing in our people is a high priority. We will continue to improve the ICT skills of our workforces and our communities, equipping them with the skills they need to enhance their lives and their neighbourhoods. At the same time we will continually review the replacement and upgrading of ICT hardware and systems to ensure that our workforces have the right solutions for their work.

Where possible, the use of ICT will contribute to the economic success of both districts, and facilitate the delivery of key service initiatives.

Information security is a critical focal point within the strategy given the increase in the amount of malware and the diverse ways that information can be shared. We

place great emphasis on protecting our systems against threats and maintain constant vigilance to protect against any new threat. We will continue to invest in training and education for our users, to raise awareness of security risks and to promote good data security practice both at work and at home in their private lives.

Images of ICT Portfolio Holders to be inserted at design stage

Introduction

> **The term "ICT Partnership" used throughout the document, refers to both East Herts Council and Stevenage Borough Council.**
>
> **ICT Policies and statements are universal to both councils. The Partnership was established in July 2013 with the purpose of; determining the strategic direction, overseeing the preparation / implementation of this ICT Strategy, monitoring service performance, review customer feedback and setting ICT budgets.**

This document sets out the Partnership's joint strategy for Information, Communication, Technology and Digital (ICT) over the period 2019-2022. The ICT strategy reflects the corporate plans of both councils in promoting cost effectiveness and high quality front line service delivery.

This strategy has been developed in consultation with ICT, Business Transformation Teams, Leadership Teams and with Members. A number of external partners including BDO, Microsoft and Socitm were also engaged to help inform and validate the Partnerships approach to deliver a resilient and secure ICT offer that meets the future requirements of both councils.

Some of the key features in developing this ICT Strategy for the Partnership have included:

- **Business interviews**: the ICT Team, Socitm and Microsoft conducted a number of interviews with senior stakeholders from across the Partnership to understand the perspectives on technology provision and to understand business strategy and technology requirements;
- **Collaborative workshops** – several current state assessment and target stated development workshops were held to challenge and shape the specific focus areas for the strategy;
- **Technology review** – the ICT team with Microsoft assistance have undertaken a high level review of core business applications to understand key challenges that will help influence a new Enterprise Architecture;
- **IT and Service Capability Assessments** – to improve the quality of analysis, and accelerate delivery, an assessment of the ICT Service and capability was carried out; and
- **Desktop and research analysis –** Socitm and Microsoft along with the ICT Team reviewed a wide range of documentation, including current business and past IT strategies and the emerging digital transformation programmes of both councils, alongside broader research into technology solutions and leading practice.
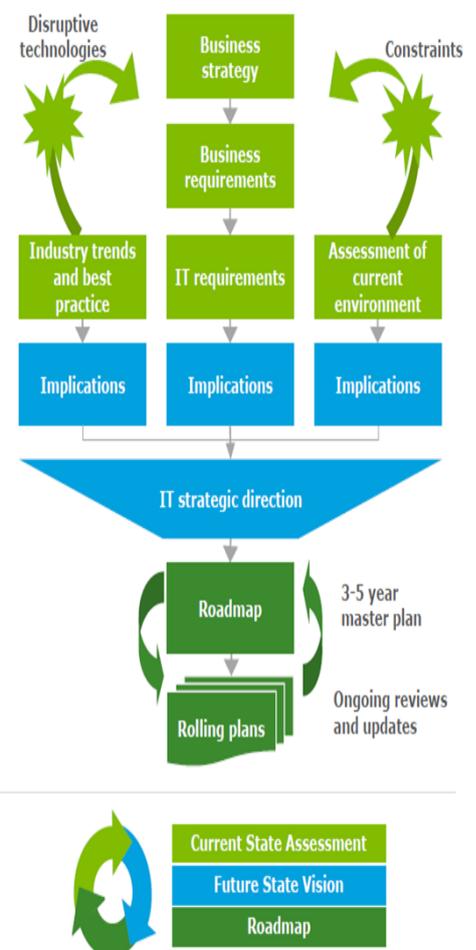
The diagram above illustrates the approach used to develop the ICT Strategy.

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In seeking to define how best to develop a new approach to ICT it was identified that the focus should not be on technology, but on the customer and other business drivers. Enabling and innovative ICT will provide the Partnership with an effective, efficient and reliable set of services, in support of the business plans of both councils.

Our ICT Strategy is business driven and action orientated. By defining our approach on the benefit that different customers will gain through the use of ICT and digital services, we will maximise the value that can be delivered by our reducing resources. This will help us to deliver a partnership focus to designing and sourcing ICT and digital platforms/ applications whilst allowing a customer driven delivery; what each council needs in order to deliver services where the customer needs them.

The strategy aims to build on existing technologies and investments, support Partnership wide transformation programmes and initiatives, accelerate self -service digital delivery for our customers and increase staff productivity through opportunities for more agile, flexible and mobile workforces.

The principles within this strategy provide a framework for how ICT services will be designed, sourced and delivered and how ICT and Digital services can support ways of working and ways of doing things where the customer experiences real benefits.

The strategy sets out the necessary detail, the guiding principles and objectives of the ICT Partnership. It contains the key achievements the Partnership will meet, ensuring critically important milestones are managed to completion. These include a more strategic approach – to what we do, the services we provide, who we work with and what technology we will source.

This document also underpins the governance and culture needed to ensure government's legislation / guidance are followed and creating a culture of data security which is essential to protect the Partnership systems and the public's data.

Latter parts of the document provide a plan for 2019/20 to 2021/22, due to the fast moving nature of the ICT environment this is by necessity a front loaded strategy and will be a 'living' document requiring annual adjustment due to priorities, hardware / software "life cycles" and changes either internally or externally. It is critical that ICT investment is not seen as one off or periodic, it has to be a "rolling change programme", refining and replacing as elements of the ICT environment become out of date, non-supportable or just not fit for purpose.

Our ICT Partnership Vision

Our vision is:

To create a modern and transformational ICT service that drives and supports delivery of joined-up services to Customers through the effective use of technology.

Both Councils entered into an ICT Shared Service Agreement in July 2013 and are committed to the ICT Partnership over the lifetime of this strategy. A new 3 Year Partnership Agreement will be entered into during 2019/20.

The ICT Partnership is continually looking to achieve maximum value for money from its ICT investments. Connectivity solutions are key in supporting greater accessibility, flexibility and information provision. The increasing complexity of ICT solutions, their rapid evolution and the need to be agile in responding to organisational and customer needs and to partnership opportunities that reduce cost, increase resilience and improve quality requires a less traditional approach to ICT strategy moving forward.

Reliance on ICT infrastructure and solutions to support an agile and flexible working culture is a significant part of the overall transformation of both councils.

The success of this shared strategy depends on close partnership working. We will look for new partners where there is a business case to do so. We will continue to explore, exploit and promote common software and hardware solutions and consequently deliver platforms that can be utilised across both councils.

Benefits of the Shared ICT Service

Why bother?	What this means ...	But it doesn't apply
Economies of Scale /reduce duplication	Buying and caring for one system is cheaper than doing so for two	If you run different systems / applications
Improved quality / breadth of skills	A bigger ICT service offers more career opportunities and affordability for better technology	If you choose to have different objectives
Resilience / risk taking	You have more people, can take more risks and absorb more shocks	If you manage risks and shocks separately
Critical friend / shared ides	You have a wider variety of experiences to draw on and can use each other as a benchmark	If your relationship is not trusted

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The Partnership's Vision will be delivered through four Strategic Ambitions

Ambition	What does this mean?	Why is this important for the Partnership?
Empowered Customers	We will investment and deliver new digital customer facing services. In providing this we will improve the responsiveness, availability and usability of services. This will accelerate of take up of online services by customers. We will put user experience and customer focus at the heart of the design and evolution of our services. We will deliver end to end solutions that provide a more responsive and cost effective service offer.	**Customer demand –** Technology has increase the expectations of the customer and therefore business
Consolidation, simplification and standardisation of the ICT and digital estate	We have a real opportunity to consolidate, standardise and simplify our current technology estate. Through the design and adoption of a new Enterprise Architecture we will improve the integration and connectivity between services and more streamlined processes will unlock significant efficiencies and direct funds to frontline service delivery.	**Duplicate functionality** – over time both councils have deployed a large number of line of business solutions across the business to meet demand. **Complexity –** The Partnership has an application landscape with limited integration and automation, which inhibits the ability to gain insight from data.
Working Smarter	The Partnership wishes to build a culture of innovation where we make the best use of the creative talents of our staff, our partners and our customers to improve working practices and processes. We will provide mobile ICT and digital services and tools that allow staff and Members to work anywhere at any time.	**Business Demand –** Appetite from within the Partnership for technology enabled solutions will require Digital Services to deliver innovation within both councils. **Operational efficiency –** By utilising certain emerging technologies the Partnership will be able to make efficiency gains in cost reduction and resource demand. **Corporate approach –** Data should be integrated and shared across the relevant organisation.
Improved ICT governance and security	We will upskill our ICT and digital transformation teams in new technologies and ways of working.	**Organisational governance –** improving the decision making process and transparency around demand and prioritisation will enable the ICT Service and the Partnership to forecast and plan more accurately. **Impact of new technology on ICT Service –** To adapt and flex the ICT resource profile with the emergence of new technology, will become increasingly important in embracing new capabilities such as cloud.

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Our Strategic Technology Objectives

The overall strategic technology objectives of the Partnership:

- ✓ Digital services become the primary means of better serving and understanding customer needs
- ✓ The design of an Enterprise Architecture that enables the provision of 24x7 public services, available to customers whenever and wherever
- ✓ To create a secure and resilient infrastructure that enables the Enterprise Architecture to be delivered
- ✓ To position ICT as a key business enabler in delivering the strategic objectives of the Partnership
- ✓ Technology is maximised to meet the commercial needs of the Partnership

Our Commitment to Green ICT

The partnership is committed to ensure that where possible it reduces it carbon footprint.

This will be achieved through:

- ✓ Continuing to optimise our application portfolio. Only those applications that are essential to the running of the organisation will be maintained. We will apply application lifecycle management to ensure that for all systems there are reviews in place to identify future development, replacement or cessation requirements.
- ✓ Maximising the use of existing applications and hardware including the reuse of devices where possible and equipment disposal will meet WEEE requirements. Where possible, third sector organisations will be used for recycling of legacy equipment.
- ✓ We will take into account the total cost of ownership, including energy and disposal costs, over the lifecycle of a device or system, not just the procurement costs.
- ✓ Environmental criteria will be specified for all new devices including energy consumption and robust energy management facilities.
- ✓ Developing and promote 'paper-light' environments in which documents are stored and shared electronically.
- ✓ The introduction of new Hosted Desktops and software such as Office 365 we will deliver targeted benefits include a reduction in travel costs and other environmental benefits including reductions in CO2 emissions.
- ✓ Improving the efficiency of servers to ensure resilience and performance, deploying desktop and server virtualisation which can extend the life of devices.
- ✓ The development of print strategies that gradually reduce the need for print through the adoption of electronic only media and the use of multi-function networked devices.
- ✓ Integrating the cost of technology into the design of new public buildings to minimise energy consumption and other running costs.

Our Key Technology Outcomes

The following benefits have been identified based on this current strategy, but as the plans of the Partnership develop further more benefits will be identified:

Customers
Digitise online services to enable customers to self-services 24/7

A leaner, better and more unified customer experience

Create opportunities to interface with the Partnership with new technologies such as smart devices (IoT)

Single identities and authentication management

Members / Staff
Increase productivity by improving the reliability of the infrastructure to reduce downtime from aging equipment failures

Enabling staff to work flexibly and increase productivity through effective use of technology, allowing more flexible working with secure access to corporate systems from a choice of device and locations

Increase productivity through improved collaboration and "paperless office" through screen sharing, real time document sharing, instant messaging and desktop video conferencing

Improved access to information, enabling better and faster decision making for all

Significant reduction in the use of email through the use of new modern messaging and collaboration applications

An organisation wide strategic technology awareness programme

Partnership
An enhanced, resilient and secure infrastructure

Improved financial planning and control by understanding the "Technology Life Cycle" and introducing rolling change programme

Reduction of annual cost by reducing duplication of systems through rationalisation and consolidation of software products

A reduction in the number of 'suppliers' and an increase in partners

Practising strategic partner management and recruiting the staff it requires

Retiring the use of ageing server operating systems and the introduction of a new Active Directory

Reduced risk of litigation by introducing standardised policy framework

Improved governance and benefit realisation

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Guiding Principles

Our ICTD guiding principles underpin our three 'Simplify, Standardise and Share' design principles and are used as the framework that governs the development of the strategy and the subsequent Design, Build and Running of ICT.

Principle 1 – secure by design
The security of our systems and data is of overriding importance. Information security will be designed in to all our systems, changes and processes right from the start.

Principle 2 – cloud where appropriate
We will reduce our local infrastructure through a preference that systems will be vendor or cloud hosted where it is cost effective to do so.

Principle 3 – information-led design
We will better use the data we hold to allow us to design and provide more tailored services.

Principle 4 – share and reuse
We will seek to join up with others and share services, capacity and capability. We will learn from others and reuse existing software, processes and ideas.

Principle 5 – using open data
Wherever it is possible we will publish our data openly and online, for reuse by citizens, our partners, researchers and investors.

Principle 6 – using open source software
We will always consider the use of open source software.

Principle 7 – any device, anywhere, anytime computing
Our staff and citizens will be able securely use our platform and services at any time and from any location using appropriate devices.

Principle 8 – integration
Regardless of where our systems are hosted we will always work to ensure that the systems can talk to each other and are integrated with our partners where necessary.

Principle 9 – a digitally capable workforce
To realise maximum benefit from new technology we will create a skilled and technology confident workforce through investing in learning and development

Strategic Ambition 1: Empowered Customers

Responding flexibly and with agility to customer needs

IMPACT	BENEFITS	DELIVERABLES
Improving responsiveness to ensure that customers experience consistent service through appropriate and modern service channels	Improve customer experience with greater first line resolution and provide a consistent customer experience across services. Making services more accessible and offering the customer greater choice in how they contact us at what time and on what device.	• Expand access channels through new websites and customer facing digital platforms allow for 24/7 access to key services • Citizens Identification to encourage service take up • Promote and encourage community engagement through modern technologies • Digital East Herts and Digital Stevenage Strategies and supporting roadmaps • Provide an assisted digital offer that helps address the issue of digital exclusion.

ICT is key to the transformation of both councils and developing a smart approach will enhance the quality and performance of services, encourage innovation and increase customer participation.

Ensuring residents and businesses can access and use digital services has the potential to transform the way both council's work – increasing productivity, connecting individuals and communities and reshaping how services are provided.

The Partnership is committed to doing this in a fair and equitable way that puts customers at the heart of how we design and deliver public services working in collaboration with partners and communities to do things differently and revitalise how local services are delivered.

The current digital aspirations of the Partnership can deliver significant benefits to both councils and stakeholders through enhancing capabilities to:

✓ Co-design services based on customer need and to deliver better outcomes
✓ Develop end to end digital services that enable citizens to take control of how and when they consume services (24/7)
✓ Provide customers and businesses with the confidence and skills to assess their needs and determine the right solutions for themselves
✓ Deliver better 'Value for Money' services and increase efficiencies and provide easier ways
✓ Stimulate service transformation, through innovation and new ways of working
✓ Create and release data that enables both councils to have business insight to drive forward service improvements

In order to leverage these benefits, the Partnership in conjunction with its Technology Advisory Partner(s) (page 28) will be reviewing existing digital programmes that have already started and will be aligning them going forward to get the optimal benefits, cost and efficiencies for its stakeholders.

Digital Services

We want to make it easier for customers to access more services online, and to meet the growing demand. Our aim is to enhance the user experience through improving the range of services offered through a variety of digital channels. This will mean building our technology platforms to deliver intuitive end to ensure public services that enable simple, swift, personalised and secure access using single sign on and authentication solutions that remember and relate to users intelligently, so each council interact as a single organisation. Both partners will enable the sharing of data across their organisations and those of providers to track service requests and deliver an enhanced service that over time will remove administrative inefficiencies that don't add value to customers or staff.

The Partnership is committed to delivering all services in a fair and equitable manner so as to ensure individuals and/or groups are not unfairly disadvantaged by the 'Digital Divide' created by technology. Through the development of new digital strategies each council will look to address this challenge through the creation of digital platforms that will simplify and connect people to the services and support they need, far more effectively. This will include an assisted digital service offer to help people who are digitally excluded to access our online services.

Customer Experience Platforms

A "Customer Experience Platform" is fundamental for each councils connection to the wider community; it forms a central point of information, services and their relationships to our customers. The term platform in this context means a range of software solutions, which will be evaluated by the IT Partnership and integrated with the assistance of technology and transformation partners.

Alongside connectivity to backend systems, this platform will provide the ability to offer services via the web to enable 24/7 self-service for customers. The platform value is enabled by the ability of all systems to work seamlessly together, ease of access, ease of use and continuous improvement.

Efforts will be focused on the ever present need to automate business processes.

Future platform(s) will span entire organisations and will have the potential to be extended to partners where necessary.

Citizen Identity

Allowing citizens to have one log-in to all web based Partnership's services is vital to encourage take-up and provide a smooth and simple service. This will also allow us to make sure the user data we keep on our citizens is correct across our many systems.

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Strategic Ambition 2: Consolidation, Simplification and Standardisation of the ICT and Digital Estate

Ongoing sustainability of the ICT infrastructure and systems to support the use technology solutions which improve efficiency and effectiveness.

IMPACT	BENEFITS	DELIVERABLES
Enabling the greater flexibility and agility of both employees and Members through a resilient and secure infrastructure and the deployment of appropriate technology including effective collaboration systems and tools. Support decision making through business intelligence by utilising the Partnership's information asset	Ensures a modern workplace that is flexible and agile to enable the Partnership to be responsive to organisational and customer needs. Provides relevant communications and collaboration tools to enable an efficient work place and one that is attractive to employees and partner organisations. Reduces the Partnership's environmental impact.	• Complete a hardware and software audit • A new Enterprise Architecture that enables the Partnership to make the best use of existing and new technology • The introduction of new hosted desktops and Microsoft Office 365 • A resilient and secure 'hybrid' infrastructure that support both on premise and cloud based applications and systems • A Cloud Strategy for software as a service • Enhance systems to design in agility and flexibility • Applications and Hardware Asset Register • Execution of an Application Rationalisation Roadmap that creates a smaller ICT estate that may deliver efficiencies

The future of the Partnerships' ICT Operating Model is at a critical point of evolution. Major changes need to be implemented to enable both councils to take control of the design, build and operational aspects of software applications.

Since the Partnership was established there has been limited investment based on tactical business decisions. The net effect is that opportunities to leverage the potential of the digital revolution have started to be missed and a significant proportion of the software and hardware is now in need of refreshing and enhanced to meet the current and future needs of the Partnership.

The ICT Strategy has created the opportunity to radically reinvent the ICT Operating Model and landscape. Based on current developments, professional advice from Socitm, BDO and Microsoft the Partnership will appoint a Technology Advisory Partner(s) to help develop the Enterprise Architecture required across the Partnership.

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Enterprise Architecture

At the heart of the Partnership's future ICT and digital strategies will be an Enterprise Architecture that will lay out the fundamental design of the Partnership's ICT and digital services going forward.

The Enterprise Architecture will have a number of layers, each designed to play their own unique role in supporting the Partnership's key customers:

- **Core Components** – the core components of the architecture that are designed to underpin multiple business processes. They will be implemented once and used often. Examples include citizen authentication, master citizen record, document management, geographical information systems and single payment engine.

- **Business Solutions –** Business solutions are the solutions designed to drive operational efficiency. These solutions are normally designed for the professional user and therefore require a high level of knowledge to use effectively. Examples include finance system, council tax system and asset management systems.

- **Engagement –** This layer ensures that causal users can interact with the Council in an easy-to-use and preferably personalised way. This layer must remove the complexities of underlying core components and business solutions and present required parts of both these in a simple and appealing way. Examples include websites, mobile applications and performance dashboards.

Each of the three layers is vitally important to the Partnership achieving an accessible, scalable, flexible and functional architecture at a minimised cost of ownership.

It is not thought practical to source one solution that meets all the needs of the Partnership, therefore 'best of breed' business solutions will be sourced and interfaced as required.

An investment plan and associated programme of work will be developed with the assistance of an Enterprise Architect to implement the agreed 'to-be' Enterprise Architecture.

High Level Solution Architecture
An indicative view of an application landscape

Evolving the application landscape can support the Council to reduce costs alongside improving data quality and operational efficiency. The proposed customer platform can be a key component and enabler of a streamlined application landscape.

The following diagram provides a high level overview of a potential solution architecture for the Council, with a summary of its key components.

1 **Customer Platform**
A platform focused on delivering the needs of the customer through the use of an integrated CRM, Case Management and workflow solution.

2 **Analytics Capability**
A platform that harnesses the information from across the application landscape empowering the organisation to make data driven decisions.

3 **Integration Layer**
An API led approach to integration, ensuring a consistent, standardised approach to how data moves between applications. consistent insight.

4 **Line of Business Applications**
A rationalised application landscape, aiming to eliminate duplication where possible, leverage functionality of new solutions, while revitalising existing solutions through integration and analytics.

5 **Enterprise Applications**
Providing a stable platform of enterprise applications (Finance, HR/Payroll. Asset Management, and EDRMS) to support overall business management.

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Enterprise Architecture Principles

In developing the required Enterprise Architecture the Partnership will apply the following principles:

Enterprise Principles
Improve the customer experience Use the organisation's collective knowledge of individual stakeholders to ensure that all engagements are as personalised and customer-centric as possible.
Fit for Purpose Core Components Invest in delivering fit-for-purpose core components, and then ensure 100% use wherever the function they perform is required. For example, the Partnership will aim to have one solution to authenticating a customer and will always use this where a customer is required to prove their identity to complete a transaction.
Proactively share core components and business solutions Proactively seek to share its core components and business solution with other local authorities or wider parts of the public sector. Ideally, the Partnership would not own or manage any of these; instead it would consume the services from across public sector shared services or directly from a commercial source. The Partnership acknowledges that to achieve this it may be necessary to adjust its business processes to comply with the standard processes provided.
Minimise the number of business solutions Strive to minimise the number of business solutions used with the aim of delivering best-in-class, joined up, efficient processes, whilst minimising the requirement to interface between business solutions.
Interface/Integrate Where interfacing/integration is required between any elements of the architecture, the Council will require the solution provider to support an SOA/API approach therefore minimising the Council's total cost of ownership.
Business Solution will have vendor supported APIs Ensure that, where required, the business solutions or core components will make their processes available to the engagement layer via a fully supported presentation layer and

independent APIs.

Invest in Engagement Layer Invest to make the engagement layer robust, responsive, scalable, flexible and channel independent. This will allow the Partnership to react quickly to the changing behaviours and needs of our customers, local businesses and other key stakeholders. The objective will be to attract people to use on-line channels wherever possible, striving for 'digital by desire'.
Consistent user experience through engagement layer Use the engagement layer to ensure that our stakeholders receive a consistent and high quality service regardless of their channel of choice, including face-to-face, phone, email, and on-line.
Make our services available on other channels Make its high volume services available to authorised non-council channels and work with these channels to ensure that these services are available where our citizens and local businesses find most useful. Such an approach will maximise the adoption of our on-line services by targeted stakeholders.

Business Applications

Business Functions – Solution Requirements

The core component and business solution elements of the Enterprise Architecture are vital to the smooth running of ICT and Digital Services. In order to understand our ICT estate a full audit of software and licences is being undertaken.

A 'Current State' analysis will identify how up-to-date our systems are, what improvements in functionality service areas would like, and how the systems are being supported to enable the proactive management of systems towards the future Enterprise Architecture.

Information on core components and business solutions across the Partnership will be maintained in an Information Asset Register. This will enable the Partnership to have a clear view of the cost incurred by each service area or individual member of staff, enabling us to ensure we are only purchasing the licenses required and stop paying for any software which is not required.

We will use this information to wherever possible replace legacy and/or consolidate applications.

We will utilise existing systems wherever possible rather than buying and developing new service specific solutions and this will offer clear savings by reduced licence costs, utilising existing support skills and cover, as well as reducing the requirement for underlying hardware, hosting and database management resources.

To achieve this the Partnership will maintain and publicise an applications register outlining modules and capabilities of existing systems. This systems portfolio will support the rationalisation of systems in use across the two councils and support improved systems integration.

We will make use of training to make more efficient use of applications that we already use and to create a deeper understanding of the applications to promote ideas to improve the systems and processes.

Standardise and Consolidate

Where new business processes require support from information systems the capabilities and sustainability of existing systems will be examined prior to the consideration of new software.

It is important that core components and business solutions remain up-to-date, reliable and fit for purpose. Where practical, any duplication in solutions will be removed and where gaps are identified, suitable solutions will be implemented.

We will seek through the new Enterprise Architecture to standardise and consolidate our existing applications to achieve cost savings, simplify support and aid cross-organisational working. Where practical the ICT Service will seek to work with service teams to standardise similar business processes, simplifying the requirements for supporting information systems.

We will develop and execute an application rationalisation roadmap that allows us to achieve the Enterprise Architecture. Also we will replace key systems as they approach end of life with systems that provide the functionality required and that exploit digital technologies to support the ICT Partnership's future Digital Strategies.

It is not thought practical to source one solution that meets the needs of the Partnership therefore the best of breed business solutions will be sourced and interfaced as required.

Business Solutions will be sourced in logical groupings designed to minimise their number and interfaces whilst not compromising the desire to deliver best in breed solutions.

Cloud Strategy

The Partnership has agreed a strategy to look at cloud-based solutions when applications and systems come up for replacement or during the implementation of new solutions.

This is not to be confused with the governments suggested 'Cloud First Strategy', which states:

"When procuring new or existing services, public sector organisations should consider and fully evaluate potential cloud solutions first before considering any other option. This approach is mandatory for central government and strongly recommended to the wider public sector."

This fails to accept the increase in cost that most clouds solutions bring. If a cloud solution is the only available solution, is cost neutral or brings considerable other benefits then it should be considered but to ignore self-hosted solutions in the initial evaluation is not a feasible solution for our restricted finances.

Applications Programme Interfaces (APIs)

The interface between systems is essential to support current and future digital transformation ambitions. To enable this we will make sure that Application Programme Interfaces are open and accessible.

Geographic Information Systems

The use of geographically referenced information is changing the face of the internet and the way we interpret and view data. For our services to deliver insight capability we must start to exploit the use of GIS more effectively. The procurement of new GIS service software will provide geographical insight through the use of digitally mapped information, based on location and demographics. For example: planning and licensing applications and fly-tipping incident analysis can all be enhanced by mapping the transactions and relationships between the incidents and services. A business case for new GIS Software is to be produced during 2019/20.

Corporate Applications

Microsoft Office 365

We currently use Microsoft Office 2007 but the Partnership is planning to move to a Microsoft Windows 10 Operating System and Office 365 which will move its email, word, excel and unstructured data into the cloud during 2019-20. Office 365 will empower all users of the ICT systems, now and into the future. Outside of the 'basic' offers of past Office versions such as Word, Excel, PowerPoint and Outlook, there is new an increasing offering included at no extra cost. These include Intune, Teams (originally Skype) and many others.

The continued use of Microsoft tools carries considerable advantages including:

- Local Authority line-of-business applications are heavily integrated with Microsoft tools as standard.
- Financial applications have export routines to Microsoft Excel where the information is modelled for the purposes of making key financial decisions.
- Key business systems such housing systems and revenue and benefit systems are integrated with Microsoft Word for the purpose of producing written letters.

If we were to use open source software as an alternative, the integration would have to be re-written from scratch, and may not even be possible.

The benefit of Microsoft Office 365 is that it is a cloud hosted solution that brings improved system resilience and performance. As an evergreen product the Partnership will benefit from timely upgrades and patching as this will be automatically delivered by Microsoft.

Hosted Desktops

The ICT Partnership's aim is to provide a high performance network connectivity that supports mobile working, enables system interfaces, electronic communication, access to the internet and the support of digital services.

In future new and legacy applications will be presented to users via new hosted (VMWare) desktops.

The Partnership at present uses a Virtual Desktop Infrastructure (VDI) called VMWare Horizon 5 which is becoming end of life. VDI enables the provision of the same desktop to HP Zero Clients installed on all desks in every building allowing for great flexibility for staff as well as ease of hot-desking. VDI also allows for the same desktop on any windows-based hardware be it a tablet or laptop.

There is a limitation on Apple operating system which at present fails to work with Horizon version 5. A project is in place to upgrade to VMWare Horizon 7, which will increase speed and stability and is a legislative compliance requirement.

VDI will continue to be a core component with the following benefits;

Flexible working	Users can work from the office, at home or in the community. For example, a user can use Zero Client devices in the office, then go home and continue to access the same applications with the same data on their own laptops or Tablets at home
Reduce bandwidth	All the processing and file sharing is done on the Server, only information to update the screen is transmitted across the network to the user's device and only mouse and keyboard inputs are transmitted back.
Improved Security	Data is only kept on the server therefore isn't lost or taken if a laptop is lost.

▪ **Centralised Backup**   Data is on the server not on the user's devices so data can easily be backed up

▪ **Reduced Cost**   VDI is much easier to support and maintain

A Secure and Resilient Infrastructure

Up to date infrastructure is at the heart of any good ICT Strategy providing secure, stable, reliable platform for both virtual and physical systems that provide storage, data flow, analysis and processing of data.

It is important that the lifespan for each element of the infrastructure is planned in to ensure future investment is available to keep the benefits and systems running effectively.

It is important to understand the relationship between the different layers of technology; security or reliability issues in one area will effective the resilient, speed, security and stability of the whole system.

Lack of investment in one area means other investments aren't fully realised or worse put at risk.

Page 149
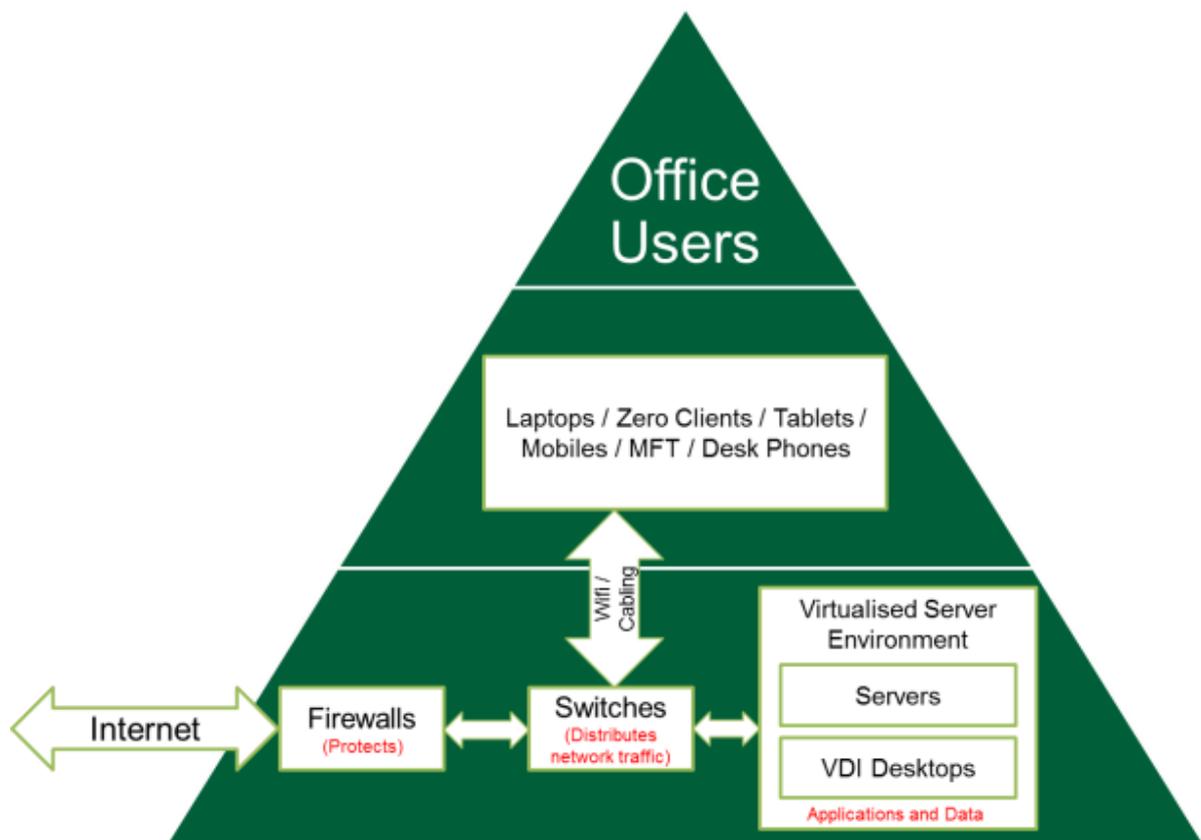
Technology Life Cycle / Rolling Change Programme

Every component of the ICT platform has usable life span; some are determined by the support a supplier is willing to provide, the speed at which it runs, supportability, reliability, compatibility with new systems and many more.

The diagram below gives an indication of the life span of the key components which make up the ICT platform:

	1 Year	2 Years	3 Years	4 Years	5 Years	6 Year	7 Year
Client	East Herts & Stevenage Partnership						
	Mobile Phones						
	Laptop						
	Telephony – Desk Sets						
	Zero Clients						
	Projectors						
	Enterprise Licence						
Infrastructure	Core Software						
	Telephony – Backend System						
	Storage						
	Servers						
	Network Firewalls						
	Network Switches						
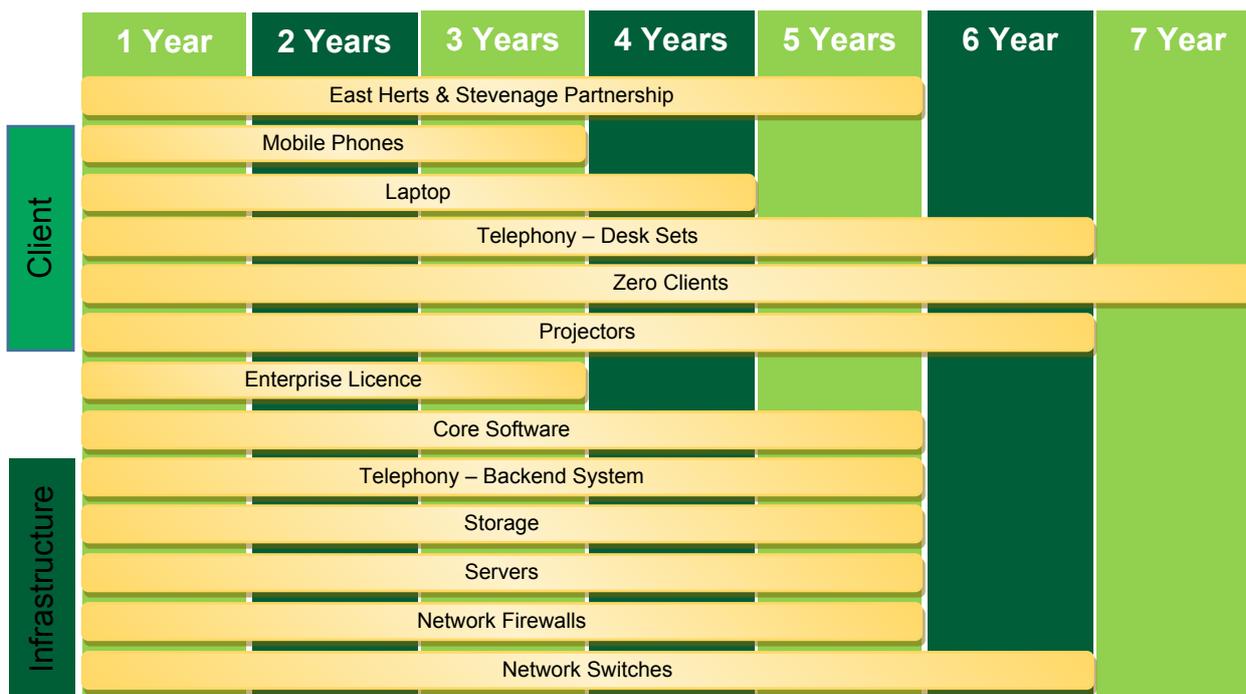
Investment in the corporate ICT networks, central servers and storage equipment, mobile computing and desktop device refresh will be phased in accordance with the above lifecycles. This will ensure the ICT infrastructure continues to be "fit for purpose". To support this approach a replacement plan will be established by the PMO to enable good financial planning and effective hardware and software replacement.

Network

The present network devices are aging in most areas, with some elements such as switches being as old as 13 years (at least 8 years beyond its expected life span). This is unsustainable with the average hardware life being 5 years before support from supplier's ends and physical failure start to become regular.

The core cabling will be replaced as part of the Partnership Accommodation Strategy, which is currently under development.

The benefits of a new Network (made up of cabling, switches, Wifi routers and firewalls) include;

▪ **Reduced Latency**   Improve speed of responses

▪ **Increased Reliability**   Improved availability

▪ **Improved Security**   Reduce chance of security breeches

Several projects have been commissioned to replace the existing network hardware across the board.. Alongside this a 5-year hardware replacement plan will be established by the PMO to enable good financial planning but also a structure for known future projects.

The overall network control is in the hands of the Security and Network Team who will rationalise the network and ensure security as a core function.

Dependent on the Enterprise Architecture there may be a future requirement to put in place web acceleration technology that allows the prioritisation of data flow to cloud based services.

Server Provision

At present 95% of our servers are hosted on a virtualised VMWare environment at two locations Daneshill House and Cavendish.

Virtualisation lets us host much of our service on a limited number of physical servers allowing cost savings as wells as supporting our disaster recovery plans and provisioning abilities, not offered by physical servers.

As we gradually move systems to cloud based solutions the requirement may fall. However, our major solution providers are not moving quickly in that direction and is anticipated that with the move to new offices will require a data centre on premise.

Data Centres

The current data centres at Daneshill House and Cavendish will need to be replaced as part of future accommodation strategies being developed by each council the timing of this is still to be determined.

The option of potentially to moving to a single data centre has been considered by the ICT Partnership Board, but due to significant disaster recovery implications it is not recommended at this stage. Currently if one Data Centre stopped working, we have sufficient resilience to continue working from the other.

Multi-Function Devices

The Partnership has recently replaced its' entire Multi-Function Devices (MFD) fleet with devices from Konica Minolta, reducing the number across all sites with fast speed colour machines. The project includes software which monitors all printing allowing controls to limit large print runs and report on which departments are printing and drive down the overall cost of printing. Reduction in machine numbers already brings considerable savings. These machines will be replaced when the contract ends in 2024.

Aligned with the Digital Post project we should see a major reduction in printing within the organisations and the 'appearance' of paper files in the buildings.

Reduction of printing is also part of any data protection strategy, as the move away from any paper-based data to electronic allows greater control and protection. Around 70% of data breaches come from paper documents so any reduction lowers the overall risk vectors.

Strategic Ambition 3: Working Smarter

Enabling Efficiency by ensuring Staff have the digital tools, processes and skills to deliver services effectively

IMPACT	BENEFITS	KEY DELIVERABLES
Enabling the partnership to redesign processes/services to be more accessible and efficient, producing better, quicker and more consistent outcomes for customers. Using Digital by Design principles to automate business processes. Recognising employees as a key organisational resource and ensuring access to appropriate technology and information to promote efficient and effective working. Enabling financial stability and the promotion of environmental good practice.	Operational efficiency through the effective use of existing or new technologies. Reduced waste through automated processing and streamlined manual procedures taking opportunities to remove bureaucracy. Improved service delivery through operational consistency.	• Standardise the mobile devices and operating systems to be supported by the ICT Service to ensure effective support. • Service catalogue that captures the range of hardware on offer to support efficient working • Promote Digital by Design principles throughout the organisations • Develop a new approach to adoption and change management and modern service management to enable services to accelerate the adoption of change • Develop Digital Transformation Strategies and Programmes that review and exploit technology to ensure the greatest operational benefit being gained • Capture efficiencies and lessons learned to avoid cost and effort • Design and Implement ICT profiles, competencies and a supporting ICT learning offer

The Partnership must have workforces that possess the right skills to make sure both organisations can provide customer focused services and deliver improved outcomes through collaboration, innovation and integration.

Therefore staff in future will have access to the devices and software they need to deliver a high level of service and will be equipped to use them.

Mobile ICT (Hardware)

The move to a more flexible and digital workforce where employees will be able to work in the community, at home and via hot desking will be facilitated through the effective provisioning of hardware such as laptops, tablets and smart phones.

The Partnership will be looking to minimise the number of hardware and operating systems we support to enable the ICT Service to offer a higher level of support.

Currently the service is having to support over 2,000 devices which use a range of different operating systems. This is unsustainable in the future therefore we will only supply Partnership owned hardware on the following operating systems:

- Android OS
- Windows 10 Mobile

Due to the flexibility of our VDI solution staff and Members may be able to install and access their hosted desktops on their privately owned devices and with the advent of Office 365 will give them the option to access email via their web browser. Security restrictions will be required and enforced on devices to meet data protection requirements.

During 2019 the Partnership will be moving to a Microsoft Windows 10 Operating System which will mean that a large number of mobile devices such as laptops will need to be replaced as they are compatible with the new operating software.

Currently there are no annual budgets in place for device replacement. In future the Partnership will correct this by allocating capital budgets to ensure the timely provisioning of new devices.

A service catalogue will be created that enables staff and Members to understand the range of hardware on offer and that can be supported by the ICT Service.

Building Digital Capabilities

As technology increasingly supports how the Partnership delivers services, then to engage in, and contribute to tech-driven business environments. To be able to quickly learn the next big emerging technology functions, and to grow professionally, all employees from senior management to apprentices will need to learn much more about the Partnership's critical business systems and applications; their capabilities and adjacencies, their strategic and operational value, and the particular possibilities they enable. This means individuals must become tech fluent.

The three layers of tech fluency are:

- **Basic –** a basic understanding of enterprise technology principles and systems makes it possible for employees to understand technology concepts, enabling them to follow technology trends, differentiate between tech "myth" and fact, and understand how the tools they use each day contribute, directly or indirectly, to business success.
- **Intermediate –** tech fluency becomes more role and business function specific consisting of a detailed working knowledge of how technology capabilities and their adjacencies can drive new revenue and open fresh opportunities in the near term. At this intermediate level, employees may be able to understand the possibilities of technology more broadly and harness system capabilities to create efficiencies and revenue, drive strategy and enhance the customer experience**.**
- **Advanced –** individuals can sense further disruptive opportunities that emerging innovation may make possible three or five years down the line – and use that

foresight to help councils to transform and take full advantage of commercial opportunities.

For most employees across the Partnership the level of tech fluency should move towards the basis and intermediate levels; while the Digital Delivery Teams should be at least at an intermediate or ideally at an advanced level.

As the trusted adviser to the Partnership the ICT Service must build upon its knowledge to possess an advanced level of tech fluency on emerging technologies. In addition to learning programmes, this will require capacity among the team to research, understand and develop use cases to be able to be aware of the possibilities, test viability and to advice the Partnership effectively.

ICT has to be seen as a core competency for staff. The Partnership will undertake workstyle assessments and establish a set of ICT profiles that can be applied to different job roles across both organisations. The profiles will help to determine the ICT competency levels, services and tools required to perform roles in the most cost effective way.

The Partnership will build a culture of continuous learning through learning programmes that help employees to develop technology skills and knowledge quickly. To meet this need the Partnership will adopt the following strategies:

- **Make technology learning programmes self -directed, digital and dynamic.** Traditional learning management programmes are being replaced by new technologies for curation, delivery and mobile use that put learners in the driver's seat. Moreover, a wide variety of low-cost learning opportunities are emerging in various online and video channels and will be used to target improvements in tech fluency.
- **Tie –learning to professional development.** The Partnership will offer a curriculum focused on the baseline learning requirements of given roles. This will help people to develop their knowledge and skills to fulfil their current roles and also to prepare for other jobs within the organisations.
- **Make continuous learning opportunities part of the corporate brand for both councils**. The employment brands of both councils need to be visible and attractive and learning including tech fluency – needs to be part of the brands.

Service Transformation through effective Adoption and Change Management

Change is difficult to achieve and requires input, direction and support from the leadership of both councils to deliver the ICT vision and ambitions set out in this strategy.

Both councils have aspirations to deliver service transformation through ICT and digital enablement. As already stated both councils will be developing digital transformation strategies that will help set out how they will use digital platforms, hosted desktops, Office 365, business applications and innovative technology to redesign their service delivery models and supporting processes. This will potential

include the development of channel shift strategies and new approaches to service redesign that optimise technology and new ways of working.

The Partnership will develop a new approach to adoption and change management (ACM) and modern service management (MSM). This will help enable both councils to drive and accelerate the adoption of change, by engaging and guiding end users and ICT professionals to understand the new ways of working and the impact and benefits of those changes. ACM and MSM will work to enable both workforces to maximise the benefit from new ICT and digital services and tools, facilitating their tasks and increasing their productivity. Empowering ICT staff and end users to deliver and adopt these new tools will help the Partnership to realise business value from its technology investments such as Microsoft Office 365.

The Digital Transformation Teams within both councils are currently sized for delivery of known digital delivery solution demands such as the creation of new websites. As both councils establish their transformation programmes, they must define the resource requirements to provide digital services support.

Both councils will need to review their planned and in-flight digital initiatives as an immediate priority to determine how to meet current commitments against their transformation programmes.

Given the potential volume and complexity of transformation required, the Partnership will look to using a combination of internal and external sourcing strategies to meet future demand. This includes the appointment of a Technology Advisory Partner(s).

Technology Advisory Partner(s)

The ICT Partnership will appoint a Technology Advisory Partner (s) that will initially help to deliver the following three workstreams:

1. Modern Workplace - Office 365 Enablement and Adoption
- To enable Office 365 and on-board SBC/EHC to a new technology platform
- To empower SBC/EHC users with the knowledge and technical tooling to use, manage and extend the Office 365 platform, including Exchange Online, Teams, SharePoint Online, One Drive – and maximise investment through the full suite of Office 365 applications.
- To deliver an agreed compliant platform that meets the needs of the Partnership and users' needs.

2. Digital Strategy and Roadmap
- To work with SBC and EHC leadership teams to develop a joint digital strategy which :
  - o Aligns to the realisation of the councils' business strategies and objectives
  - o Provides a realistic roadmap to the delivery of new digital capabilities
  - o Shows how new digital services will enable sustained improvements in customer outcomes and employee empowerment

3. **New Ways of Working – Adoption and Change Management // Modern Service Management**

- To enable SBC and EHC to drive and accelerate adoption of change, by engaging and guiding end users and IT professionals to understand the new ways of working and the impact and benefits of those changes
- Adoption and change management and modern service management will work to enable managers and employees to maximise the benefit from new services and tools, facilitating their tasks and increasing their productivity. Empowering IT staff and end-users to deliver and adopt these new tools will help SBC and EHC to realise business value from its technology investment

Encouraging Innovation

The ICT Partnership will focus on innovative technologies to reduce costs, such as the use of business intelligence to improve decision making and artificial intelligence to manage automated workflows. Business Intelligence (BI) and Artificial Intelligence (AI) require access to information across disparate systems to use this data to continuously improve its processes to be more efficient and effective. New systems capitalising on these extensive data sets, known as Big Data, and designed to reflect the structure of data have entered the software market and the ICT Partnership will look to maximise the potential use of Business Intelligence.

The ICT Partnership will use existing tools such as Business Objects, Excel and specialised open source software to provide business intelligence capabilities. System interfaces, web services and electronic forms will continue to be developed to support the delivery of digital transformation.

A key enabler of innovation is emerging technologies which provide new ways of completing processes or tasks, provide new insight, or deliver services that were not simply not possible before. Both councils as part of their digital transformation strategies will therefore look to utilise innovative technologies such as:

- Chat Bots or Virtual Assistants - There is an increasing take-up of the use of chat-bots, even in the home they are becoming common place in devices such as Google Home and Amazon Echo. Commercial use of "Virtual Agents" powered by Artificial Intelligence (AI) allows a relativity cheap way of responding to customers with simple requests or need of documentation.
- Internet of Things (IoT) / Smart Devices - There are opportunities to use emerging technology that now being built into electronic devices or can be added, such as sensors. This can both help manage office spaces, housing stock and even help in day to day life. Although it still early days for IoT, it is fast becoming an important part of people's lives and integration/interaction between Smart Devices such as Chat Bot's, smart phones/watches can provide all sorts of benefits, one device triggering an action on another device is already common place.

Innovation Board

The Partnership will create an Innovation Board where staff can present ideas on how existing and new technology could be used to improve service delivery and remove inefficiencies in the way that they work.

Innovation Forum

An Innovation Forum to discuss emerging industry trends and technology will promote idea generation across the Partnership. For example the Forum will investigate how to increase the use of cloud services and technology, how the customer and user experience can be enhanced through digital, or how to use emerging technologies such as the Internet of Things and Robotics to improve business processes and service delivery. This will help embed a change culture across the Partnership, limiting duplication of effort and investment and increasing knowledge sharing.

Innovation Governance Framework

Innovation is increasingly important for the Council as it targets improved outcomes for residents. However, risks associated with innovation must be correctly managed. A Partnership wide innovation governance framework will define processes for generating, exploring, prototyping and piloting ideas in a sustainable manner.

This framework will become a common mechanism for governing innovation that is being driven from internal initiatives. The governance framework will be aligned with the transformation programmes of each council.

Business Cases and supporting Digital Transformation Roadmaps will be required where technology is being used to deliver business transformation or improvements in service delivery.

Strategic Ambition 4: Improved ICT Governance and Security

Business continuity, Information Management and Governance and Security

IMPACT	BENEFITS	DELIVERABLES
Delivering robust and resilient safeguards ensuring ongoing availability of priority services and a means of recovery in the event of a disaster. Safeguarding the Partnership's data by ensuring compliance with all relevant legislation and security standards. Improving the maturity of the management and governance of information assets and delivering appropriate arrangements to ensure compliance with for example General Data Protection Regulations (GDPR). Enhancing security to better address cyber security threat vectors. Ensuring our information assets are effectively managed in line with relevant legislation through the deployment of appropriate technology standards and solutions	Ensures availability and continuity of services to our customers and the management of risk related to the Partnership's ICT assets. Ensure compliance with relevant legislation and good practice standards.	• Maintain compliance with legislative and agreed security standards (e.g. PSN and GDPR) ensuring standards are applied in proportionate way so as not to stifle our ability to deliver effective services. • Enhance arrangements for business continuity utilising mobile devices and remote-working arrangements. • Achieve compliance with Cyber Essential and enhance the Partnership's awareness in relation to the growing cyber threat vectors • Implement appropriate software/procedures to support archiving and retention in support of Information Management Strategies • Establish effective ICT and Digital delivery teams • Creation of a Members Computer Working Group • The appointment of a Technology Advisory Partner(s) • Technology and governance implementation plans

Working in a disjointed and silo manner and without an Enterprise Architecture causes a cacophony of duplicate processes and technologies, architecture in a distributed way. Because of this approach projects have taken longer to deliver and failed to deliver a good return on investment in the form of increased productivity, cost reduction and/or improved user experience.

A lack of effective ICT governance in the past has encouraged a silo mentality to the design and delivery of ICT. If this were to continue without proper co-ordination architectural disorder will continue to occur.

ICT is a key enabler for both councils and therefore in future the Partnership will take a more disciplined approach to commissioning of services, driven by strategic objectives and managed via a strong business and ICT aligned governance framework.

Governance Framework

Recent enhancements include the creation of the ICT Partnership Board (ITPB) and the ICT Steering Group (ITSG), which control and manage the governance of ICT for the Partnership. In addition a Member ICT Working Group that represents all political parties will be created across the Partnership to help ensure the effective governance and delivery of this strategy and ICT services.
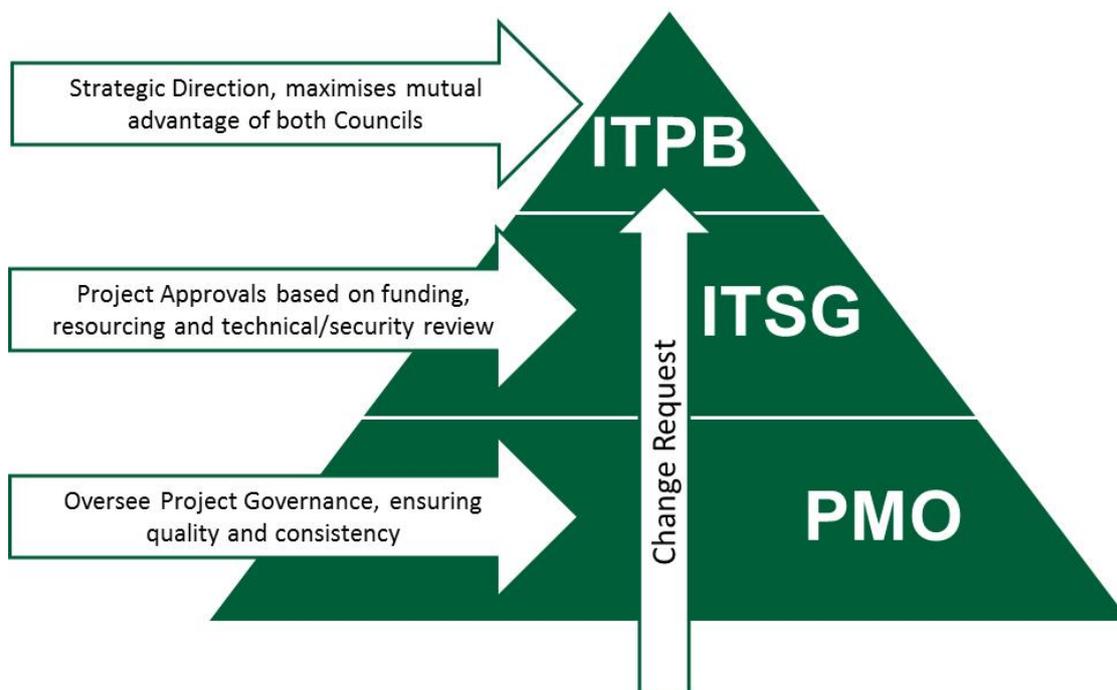
Benefits of good ICT governance include:

- **Benefit Realisation**

  Ongoing and future initiatives meet Partnership goals and aspirations

  Partnership benefit from the synergy of merging systems, gaining efficiencies and cost reductions

  Business Cases are well defined with realistic benefits defined and have been approved by appropriate authority

- **Change Management**

  Targeted investment on priorities based on available funding, resources, Policies/Legislation/Security, Partnership needs, to increase productivity and deliver efficiency processes

  Change Champions to ensure adoption of new systems across the Partnership and wider community

- **Risk Management**

  Ensuring stakeholders are aware of the risks associated with ongoing and future initiatives

ICT Quality and Standards

Digital leadership is needed if we are to nurture a digital culture. To enable the ICT Partnership to do this we are adopting Government Digital Services and Local Government Digital Service Standards, which will ensure we deliver and design high quality end to end digital services that use open standards and make data open by default, accessible and secure.

The ICT Partnership is focused on the outcomes delivered by ICT and Digital Services and therefore has focused on prescribing what standards are required to ensure high quality, scalable and flexible ICT services.

Quality and Standards	Description
Vendor supported APIs	Ensure that, where required, the business solutions will make their processes available via a fully supported presentation layer and independent APIs built to the Representational State Transfer (REST) Standard.
Security Rules	Adopting best practice approaches for security management to protect users, customers, partner organisations and the Council drawing on best practice from the Government Digital Service and other associated bodies.
Information Management	Adopting best practice approaches for information management and working towards information security (ISO 27001 and ISO 27002) and records management standards (ISO 14589).
Identity Access Management	Framework of policies and technologies for ensuring that the approved people have the appropriate access to technology resources.
Website Management	Our preferred approach to websites will be responsive in order ensure that content can be displayed on the customer's choice of device.
Agile	Our preferred approach to manage business change in ICT is through agile project management and delivery techniques.
Cloud computing	To support a more cohesive infrastructure as well as the sharing and re-use of services/solutions, we will explore cloud computing with the aim of increasing our agility and reducing the cost of ICT.
End user device	The Council's aim is that, as much as possible, the workforce will be able to work from any location on any suitable Council or non-Council end-user device through a defined Mobile Device Policy.
Green ICT	ICT will be used to maximise efficiency, minimise environmental impact and support the wider carbon reduction policies, of the Partnership.
Information strategy	To recognise the value of information that it holds, the Council will optimise secure, efficient, open and safe creation and the use and re-use of information assets.
Channel of Choice	The Partnership is committed to providing easy-to-use, trusted and flexible information and transactional services that support our 'digital by desire' approach. For those for whom digital channels are less accessible we will ensure access is maintained through a network of 'assisted digital' service provision.
Social Media	Social media enables greater dialogue and collaboration between the Partnership and its stakeholders. It also provides benefits in terms of its reach, accessibility, immediacy and ease with which content can be disseminated.

Securing the ICT Infrastructure, Systems and Data

The ICT Partnership recognises the increased reliance and dependency on ICT systems to support the redesign of council services, enable the delivery of efficiency savings and meet the needs of our customers means that these systems have to be protected from cyber-attacks.

At its heart the storing, processing and delivery of data is what the ICT systems deliver. As part of that work we need to protect the data under our control and ensure it only gets delivered to the correct parties, internally and externally. Therefore we are required to adhere to legislation and ensure an ICT infrastructure which is designed with security built in.

In accordance with the National Cyber Security Strategy 2016-2021 the ICT Partnership will take the necessary "DEFEND" measures for the protection of information systems (hardware, software and associated infrastructure), the data on them and the services they provide, from unauthorised access, harm or misuse.

Creation of a Security and Network Team has enabled focused work on security requirements. The ageing hardware is not conducive to good security and considerable work is required to get us to an acceptable standard. This will need to be in co-ordination with the Information Governance Team.

Projects have been identified which are high on the security radar such as firewall and switch replacement. There is also the requirement for network and security monitoring tools to enable active protection measures. These areas have been identified in several cyber security audits as areas of high concern.

There is also a continued requirement for all staff and members to be trained on data protection requirements of their position.

In summary the main security activities planned during the lifetime of the strategy will be:

- The deployment of the latest antivirus, malware, email filtering and encryption software to protect the ICT Partnership's systems and data across all networks. The achievement of the Public Services Network (PSN) Code of Compliance will continue to be an annual objective.
- The ICT Partnership will annually achieve Cyber Essentials Accreditation from 2020/21 onwards
- The ICT Service will implement effective defences to the network, data and system and have in place cyber incident reporting measures and be able to respond effectively to cyber-attack, maintain functions and recovering quickly through appropriate service and business continuity arrangements.
- Implement "Security by Design" by carrying out cyber risk assessments when selecting new systems, online services or implementing digital processed.
- Ensure that cyber security skills and awareness within the Council are maintained to mitigate the cyber security threats including the monitoring and reporting of incidents.

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ICT Policies

The policies the Partnership create and work to, are the bedrock of any ICT security culture. They must be universal to all staff and members regardless of the seniority of the individuals involved.

A standardised policy framework ensures that a high level of security is met across the entire Partnership's network. To have differing ICT policies applied across both councils is not only technically difficult but will cause problems when it comes to enforcement, so the polices need to be universal.

Policies need to be relevant to the work of the Partnership and should not be used as way to solve a data protection problem that can be prevented by a software solution. The first stance should always be a technical response to any issues and policies should only be used when human interaction needs to be defined and limited in its scope.

All staff must be aware of the policies the Partnership has in place and to aid adherence they need to be written in a concise and plan language template. In the event of a non-adherence of any policy there needs to be a robust response including where the circumstances require disciplinary sanctions to enforce the seriousness of the policy in questions.

Policies required include:

ICT Related Policies	
Policies	**Status**
Acceptable Usage Policy	Written and gone to HR for consultation
Data Protection Policy	Completed and on intranet
Mobile Device Policy	In draft Security Team to approve
ICT Monitoring Policy	Security Team to write
ICT Remote Working Policy	Security Team/MGT Team to write
Social Media Policy	Completed and on intranet
Data sharing Policy (Contractors)	Security Team to write

Protocols	
Policies	**Status**
Security Breach Response Protocol	Security Team to write
Change Control Protocol	In draft

ICT Service

The ICT department supplies the ICT infrastructure, support, hardware and software for the Partnership.

The Partnership must create ICT and Digital teams, roles and make data driven decisions that reflect the aims of both councils.

The Partnership will gradually reorganise the ICT and Digital delivery teams as related roadmap milestone items are achieved. This has already involved the creation of a dedicated Programme Management Office and the introduction of security and networking capabilities.

Stevenage Borough Council's Assistant Director for Digital and Transformation will oversee the execution of the strategy and will report to the ICT Partnership Board and ICT Portfolio Holders.
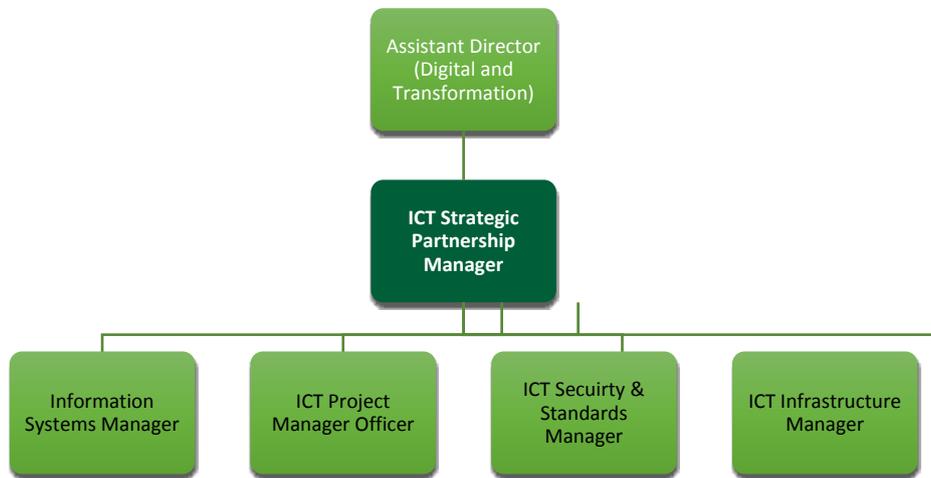
ICT Service Teams

The ICT Service has 8 sub-service teams:
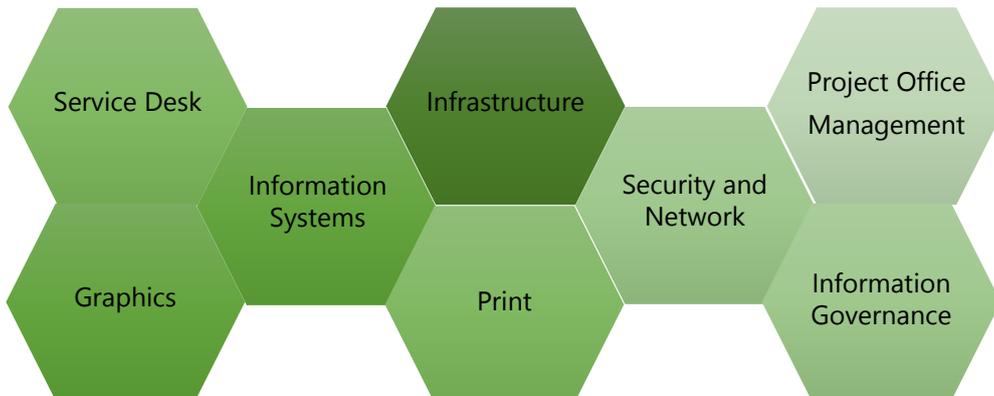
Service Desk

As part of the recent ICT restructure the Service Desk has been increased to 5 staff plus a Team Leader and a Support Manager.

The Service Desk is the portal for all request of the department, which if not resolved are then handed over to the Second Line Support depending on the nature of the work required. Statistics are collected on the volume and resolution of requests and presented to the governance boards for review.

Information Systems

The Information Systems department supports and resolves issues with the software and databases the Partnership requires to run its business, this is separated into three categories:

- **Corporate Software**   Software required for all users of the Partnership such as Office, PDF readers etc.

- **Business Software**   Software specific to a department such as Housing department requiring Northgate Housing to run its operations.

- **Databases**   The Partnership runs several data bases predominantly SQL and one instance of Oracle. It is not envisaged that this will change as focusing on one database type allows for easier support from the departments regardless of the overreaching software.

Infrastructure

The Infrastructure Team is responsible for running the core infrastructure providing a reliable, resilient, secure platform for the networking, telephony and servers.

At present this team deals with all invoices with an ICT component, which creates a large admin overhead for ICT managers. This is to be reviewed to see where those invoices with a single department focus can be dealt with locally to reduce this overhead.

Security & Network Team

As of April 2019, the Partnership has a Security & Network Team consisting of two posts, managed by the ICT Services Security & Standard Manager. These roles ensure the security standards are set and adhered. They also ensure that all ICT provision and planned projects meets or exceed security requirements.

Project Management Office (PMO)

The Partnership has created and ICT Project Management Office (PMO) which will consist of one PMO Manager and two Project Managers.

The purpose of the PMO is to oversee all ICT related projects from inception, guide them through the Governance Boards (ITSG, ITPB) and if approved to final delivery. As part of this work they will engage with the business to identify future projects and help the departments.

Risks associated with the implementation of any programme will be reduced through the use of structure techniques for programme and project management.

Alongside the project work the PMO will oversee the internal auditing for software, hardware and licensing to ensure compliance and control.

In order to maintain a close working relationship between the ICT function and services across the Partnership, regular account management meetings will be organised. These include annual meetings between the ICT Strategic Partnership Manager, the ICT Programme Management Officer and Assistant Directors and Heads of Service.

Information Governance

A proposal is being writing to create an Information Governance Team to cover the Partnership's DPA, GDPR and FOIO requirements. This team will work closely with the Security & Network Team to ensure full legislative compliance.

At present there is a single Data Protection role in the Information & Governance management. A business case is being proposed to create a team of staff to deal with all data protection regarding data process including adherence by the Partnership, departments and staff to required legislations, with a focus on the data protection act (DPA 2018) and general data protection regulation (GDPR 2016). The two acts constitute most requirements that the Partnership must adhere to in the realms of data security.

If a team is not created to adhere to these acts, then the work will have to be undertaken by the individual department's staff.

At present the Partnership is failing to adhere to this legislation, but several projects have been commissioned to address this issue alongside the creation of Information Governance Team.

Print Room

The Print Room Team is currently under review and maybe relocated away from ICT, therefore it outside the scope of this strategy.

Graphics

The Graphics Team is currently under review and may be relocated away from ICT, therefore it outside the scope of this strategy.

Sourcing Strategy

The convergence to a single ICT strategy for the Partnership and associated ICT and Digital Technology roadmaps will enable us to make strategic investment decisions, based on agreed objectives and outcomes as opposed to short term tactical business priorities and decisions.

The Partnerships approach to sourcing ICT products and services is an important aspect of how it will deliver its ICT vision and ensure value for money is achieved.

Based on current ICT market trends such as cloud computing mean that it is not practical to think that a single supplier approach will deliver the best results for the Partnership. Making use of the market will allow the Partnership to take advantage of 'best of breed' services and harness external capabilities and innovation.

The Partnership will commission the most suitable ICT that provides flexibility of service, performance and cost that makes the best of the ICT market.

We will conform to our future Enterprise Architecture and the associated design and guiding principles to deliver clear and measured ICT. We must avoid poor decision making around the choice of new systems, whilst supporting the future consolidation and rationalisation of our existing 'as-is' ICT estate.

As part of the new operating model the partnership will develop a commissioning framework for business as usual and steady state ICT.

Making technology purchases in line with this strategy is an important discipline. Straying from what this strategy defines will have a long term impact on the businesses ability to execute the roadmap in a timely way.

1. Purchasing criteria will stipulate minimum levels that each technology purchase should conform to. This criteria is being formulated.
2. All technology purchases will be reviewed by the ICT Steering Group and the technology strategy owner.
3. All existing purchases will be reviewed against this new criteria to help understand our digital landscape and if it is in keeping with this strategy
4. Tracking adherence to this standard (and the gaps, if any) will be the responsibility of the ICT Service

Strategic technology purchases will each be successful when a virtual team is formed, comprising of stakeholders across the Partnership which will include:

- Procurement
- Partner Management
- Data and Architecture
- Project Management
- Information Management and Governance

Purchases will follow the summarised pattern below, as well as the principles set out above.

Business and financial needs being met

- Having a champion who understands the business need
- Pricing model (i.e. a transparent pricing model in keeping with cost visibility)
- Contracts compliant to the new contract clauses relating to data and intellectual property ownership)
- Meets service level minimums (availability, performance, modes of support)

Strategic

- Complies with principles
- Is purchased with our customers in mind
- Can't be done with existing tools
- Enables us to consolidate other tools into it
- Doesn't require tailoring such that the real cost of ownership defeats the bsuiness case

Technical needs being met

- Product is in line with reference architecture and strategic design principles
- Browser based as required
- Use of well documented APIs
- Compatibility of APIs with our digital platforms
- No code or low code, absolute clarity on skill requirements
- Compatibility with out chosen identity and authenication providers
- Assurance level and controls in place proportionate to its use
- General Data Protection Regulation impact

With criteria in place the ICT Partnership can ensure business decisions are made based on data. Even where a system does not meet some of the criteria, it may still be chosen, but it is done so based on the Partnership being aware of and accepting its shortcomings.

This practical process of evaluation being followed ensures record keeping and continuity at important times, such as contract renewal points.

Supporting Capabilities

Each council requires easy access to ICT and Digital resources, with the appropriate capability and experience, which are committed to meeting and exceeding the needs of the Partnership and its customers.

Our Sourcing strategy will enable the Partnership to have access to external expertise to ensure our services continually and sustainably develop and keep up with the constantly changing technology landscape.

The objective is to have the correct skills that the Partnership can access to ensure ICT solutions meet the needs of its customers.

ICT and Digital Implementation Plans

The Partnership is taking a medium to longer term strategic view of the development and deployment of ICT and digital services. To support this we have produced a Strategic ICT Plan which can be seen in Appendix B it captures the known projects associated to each of the four strategic ICT ambitions.

Further roadmaps will be produced to stimulate discussion about the longer term direction of travel. The intention is for iterations of work programmes to be developed, each of which will be published with a corresponding implementation roadmap. The plans will be submitted for approval in line with the governance arrangements of the Partnership, culminating in an evolving ICT Strategy programme being presented to the ICT Partnership Board on annual basis.

The first two of these will be:

- **Enterprise Architecture – **this will be an all domains roadmap, incorporating the Partnership's consolidation, simplification and standardisation of business systems. It will detail the required Architecture building blocks for the creation of our future architecture and ICT operating model. It will ensure projects are aligned strategically, as part of the Enterprise Architecture.
- **Digital Strategy – **following the development of a new digital strategy (ies) a digital transformation roadmap will be produced that sets out how each council is going to enhance its online service offer and use digital solutions to improve staff productivity and achieve process automation.

ICT and Digital Investment

As the Partnership moves more services into Cloud, funding will move away from Capital to Revenue funding.

If we are to become a true 'Intelligence Led' Partnership, then ICT will need to be as flexible as our business functions, utilising capacity on demand methods and delivering 'Utility Based' or 'Pay and Use' ICT – designing our ICT by using our design and guiding principles to balance Value for Money against security and risk compliance.

To do so we will need over the next five years to rebalance capital investment (CAPEX) on bought and paid for ICT technology with an operating expenditures (OPEX or revenue) Pay and Use model removing the inevitable stranded investment in technology that rapidly becomes out-dated – this will need to be factored into the Medium Term Financial Strategies of both councils.

As an example; new servers run faster, use less energy and provide more computing power every year. It doesn't make sense to invest in equipment that's surpassed by the very next model.

The rapid use of Cloud computing, commissioning and managed services shows that many things that were on-premise are now provided by external Cloud based service providers such as Microsoft Azure, Amazon and Google. By utilising Cloud computing in the future it is anticipated that we will reduce long term ICT costs.

SBC's Capital requirements for the project deliverables currently known at the time of writing the strategy can be seen in Appendix C and the Revenue requirements have been captured within the ICT Strategy covering Executive Report date 9 October 2019.

The Software Audit and the Enterprise Architecture once designed will help to determine what software investment is required and where software and hardware can potentially be rationalised which in turn could deliver revenue savings for the Partnership. These additional requirements along with future digital transformation resourcing demands will need to be captured within both council's Medium Term Financial Strategies and Plans.

Value Delivery

Once solutions have been delivered, ensuring the Partnership is realising the improvements and efficiencies that are highlighted within business cases will be essential. Benefits realisation therefore will be reported monthly or quarterly through to the ICT Partnership Board.

Measuring Success

There are four key measures of success for this strategy:

1. Empowered customers through the increased take up of digital services and evidenced through outstanding customer feedback
2. The development and implementation of an agreed Enterprise Architecture that enables the rationalisation and consolidation of business systems
3. Significant improvements in the performance of core ICT services including the adoption and deployment of the likes of Office 365 and new hosted desktop technology
4. A resilient and secure ICT infrastructure that provides the required foundation to build front facing digital services

Other measures include:

✓ Our ability to execute high priority aspects of the published roadmaps
✓ The positive use of data to create and successfully launch new services and measurable improvements to existing services

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✓ Presentation of actionable information to internal and external audiences
✓ Increased registrations and voluntary enrolment onto digital services by customers

Performance Management and Progress Reporting

A number of measures are to be put in place as part of an ICT Strategy Scorecard to ensure that the regular performance management and progress monitoring is carried out.

An ICT management KPIs report will be produced monthly for consideration of the ICT Partnership Board. This document will contain details of security incidents, the number of calls received by the service desk, the percentage of responses achieved within the service level targets, the percentage of time the systems are available and customer satisfaction survey results.

In addition a monthly highlight report will be produced by the Programme Management Office that will be used to monitor progress against the ICT roadmaps, giving full transparency to the state of all projects and programmes.

The new Members ICT Group will receive quarterly reports covering performance against the performance indicators in the ICT scorecard and also a progress update against the ICT roadmap and a summary of the benefits realised.

ICT Strategy Scorecard

The ICT Service will report on the following key measures of success throughout the lifetime of the ICT Strategy, targeting performance improvement against the baseline year of 2018/19 where applicable. The scorecard will be reviewed annually to reflect the changes needs of the ICT Partnership and also to take into account the new Enterprise Architecture and Digital Strategy (ies).

Indicators	Baseline Performance 2018/19	Target 2019/20	Target 2020/21	Target 2021/22
Website availability		99.9%	99.9%	99.9%
Maintain Optimum server process capacity		75%	75%	75%
Percentage availability of the data network across the ICT Partnership		99.9%	99.9%	99.9%
Reduction in email storage requirements following introduction of Microsoft Office 365				
Percentage annual Service Continuity Test that support business continuity plans	N/A	N/A	100%	100%
Percentage of cyber risk assessments	N/A	100%	100%	100%
Percentage of cyber protection software deployed on mobile devices e.g. laptops and tablets	N/A	100%	100%	100%
Annual PSN Compliance Certification	100%	100%	100%	100%
Annual Cyber Security Essentials Accreditation	N/A	N/A	100%	100%
Percentage of staff with an email account who have completed the ICT Partnership's mandatory information management and data protection online training	N/A	80%	100%	100%
ICT User satisfaction with ICT Services			80%	90%
Customer satisfaction with ICT Service Desk			80%	90%
Reduction in ICT Service Desk enquiries	N/A	3%	10%	20%
Percentage of customers who rated the overall performance in ICT Project Management as good or excellent	N/A	N/A	80%	80%
Capital to Revenue funding ratio	N/A			
Percentage reduction in internal print costs		5%	10%	30%

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Appendix A: Governance Board Terms of References

ICT Partnership Board (ITPB)	
The Partnership Board is responsible for the strategic direction of the Service ensuring that the benefits of partnership are maximised to the mutual advantage of both Councils.	
Members	
Tom Pike Strategic Director and Deputy CEO (SBC)	Helen Standen Deputy Chief Executive (EHDC)
Matthew Partridge Chief Executive (Interim) (SBC)	Simon Russell Strategic ICT & Partnership Manager CTO (Partnership)
Richard Protheroe Interim Strategic Director (SBC)	Katia Cousins Finance Business Partner (SBC)
Mandate (including but not limited to)	
Determining the strategic direction of the Shared Services	
Overseeing the preparation of separate ICT Strategy for each Authority, including ensuring that the benefits of partnership are maximised to the mutual advantage of both Councils	
Resolving conflicts between competing interests amongst the Authorities collectively and individually relating to the shared Services, the Shared Services Board and / or the Service	
Setting, monitoring and reviewing service performance	
Reviewing customer satisfaction and feedback	
Determining the Partnership Budget and contribution from each Authority, on the basis of reasonable information provided by the Head of Shared Services	

ICT Steering Group (ITSG)

The ITSG approves upcoming projects with an ICT element. This is to ensure that there are the correct ICT resources available to the project and that the correct process has been followed to ensure that financial, joint working and data protection elements have been satisfied before project approval. The PMO will work with departments to ensure that the correct processes are being followed.

Members

Helen Standen Deputy Chief Executive (EHDC)	**Benjamin Wood** Head of Communications Strategy & Policy (EHDC)
Craig Miller Assistant Director - Stevenage Direct Services (SBC)	**Hannah Brunt** Digital Transformation Manager (SBC)
Isabel Brittain Head of Strategic Finance & Property (EHDC)	**Jaine Cresser** Assistant Director - Housing and Investment (SBC)
Richard Protheroe Interim Strategic Director (SBC)	**Simon Russell** Strategic ICT & Partnership Manager CTO (Partnership)
Su Tarran Head of Revenues & Benefits Shared Service (Partnership)	**Carol Bulloch** Shared Services Manager, Systems Support & Control (Partnership)

Mandate (including but not limited to)

Develop and sustain the ICT plan for the SCB-EHC Group (referred to as the Partnership Group) and approval Partnership Board. In order to accomplish its activities IT Steering Group will	Collect ICT related information from any business area of the Partnership Group as required;
	Coordinate the ICT components of the ICT plans from all units across the Partnership Group
Coordinate the IT components of the ICT plans from all units across the Partnership Group	
Develop and recommend Partnership Group policy with relation to IT.	
In line with SIAS recommendations, IT Steering Group will perform the function of Solutions Design Authority within the Shared ICT Service, the responsibilities of which should include, but not be limited to:	Identifying appropriate technologies in response to the challenges faced by the Councils
	Identifying appropriate technologies in response to the challenges faced by the Councils
	Promoting the use of common technologies across both Councils
	Assessing the impact of new technologies on the Councils
Review and recommend on IT project development plans within the context of IT plans.	
Create ad hoc Groups to address strategic IT issues, as required.	
Review, coordinate and arbitrate major IT activities across the Partnership Group	
Provide an annual report to Partnership Board that details ICT activities.	
Report to Partnership Board at each necessary	

Appendix B: ICT Joint Strategy Implementation Plan 2019/20 to 2021/22

ICT Strategic Ambition	Project Ref. No.	Project Title	Project Description	Lead Officer	Project Status	2019/20 Q1	Q2	Q3	Q4	2020/21 Q1	Q2	Q3	Q4	2021/22 Q1	Q2	Q3	Q4
Empowered Customers	EC1	Digital Strategy	Creation of Digital strategy to compliment ICT strategy and provide a digital vision.	AD Digital and Transformation						▓							
	EC2	Website	The procurement, design, development and launch of a new corporate website.	Hannah Brunt	Active		▓	▓									
	EC3	SBC Specific - Customer Experience Platform CSC-	SBC CTOC funded project Replacement of current Customer relationship management (CRM) software with digital platform Firmstep	Hannah Brunt			▓	▓									
	EC4	Customer Experience Platform - Customer Portal	CTOC funded project. Exploitation of digital platform Firmstep to allow more automation of web based services for all departments	Hannah Brunt	Active				▓	▓	▓						
	EC5	Assisted Digital	Software assistance to aid customer to access systems simply and 24/7, for example chat bots and online payments.	Hannah Brunt						▓	▓						
	EC6	Citizens Identification	Single Citizen ID to allow access to all online services with a single login	Information Systems Manager					▓								
	EC7	Waste Department solution	New software solution to allow greater productivity and digital inclusion to waste solution.	Carig Miller	Active			▓	▓								
	EC8	Robotic Process Automation Pilots	Software, which allows automation of repetitive processes to improve productivity and reduce error in data entry.	Information Systems Manager						▓	▓						
Consolidation, Simplification and Standardisation of the ICT and Digital Estate	CSS1	Enterprise Architecture	Evolution of network and systems to improve data quality, security and performance to streamline processes and increase overall productivity of systems and staff.	Simon Russell													
	CSS2	Application Rationalisation Roadmap	Reduce number of duplicate applications, applications not used and or licenses where possible.	Simon Russell	Active		▓										
	CSS3	Azure Active Directory Exploitation	Single sign on (SSO) and Multi factor authentication (MFA) setup and deployment	Chris Day	Active												
	CSS4	Horizon Virtual Desktop Infrastructure	Upgrade to Windows 10	Chris Day	Active												
	CSS5	VMWare ESX Upgrade	To implement new hosted desktop hardware and software to improve performance and stability. Required for Window 10 Operating System and Microsoft Office 365.	Chris Day	Active			▓									
	CSS6	VEEAM Back Software Upgrade	VEEAM Back up and Replication Software will provide the ICT Partnership with backup, restore and replication functionality for the new Virtual Desktops.	Chris Day													
	CSS7	Microsoft Windows Version 7 to 10 upgrade	Desktop/Laptop Upgrades	Peter Wain													
	CSS8	Intune Project	Mobile device management software (part of O365) for mobiles and laptops	Peter Wain	Active	▓											
	CSS9	Auto Pilot	Operating System automation software (part of O365) to ease deployment of upgrades.	Peter Wain	Active	▓											
	CSS10	Microwave Link	Procurement and installation of a Microwave Solution to provide a secondary link between the data centres at Dane shill House and Cavendish Road. Will remove the single point of failure that exists between the two sites.	Chris Day	Active												
	CSS11	Storage Replacement	Replacement of aging storage	Chris Day	Active												
	CSS12	Pre-Office 365 Configuration	Office 365 Pilot (if approved)	Information Systems Manager			▓										
	CSS13	Microsoft Office 365 Deployment	O365 deployment and staff training	Information Systems Manager						▓	▓	▓					
	CSS14	Microsoft Office 365 Exploitation	Exploitation of O365 to reduce software estate and increase productivity	Information Systems Manager						▓							
	CSS15	Microsoft Windows 2008 Upgrade Programme	Remove all instance of Win 2008 to achieve security compliance	Chris Day	Active												
	CSS16	Switch Replacement	Replace switches to improve ICT Infrastructure performance. e.g. speed of data transfer.	Chris Day													
	CSS17	Telephony Upgrade	Upgrade Mitel telephony solution.	Paul Edwards							▓						
	CSS18	Cloud Network Acceleration	If required as move to Cloud solutions increases.	Chris Day									▓	▓	▓	▓	▓
	CSS19	Hardware Replacement Programme	3-7 Year replacement programme depending on device	Simon Russell													
Working Smarter	WS2	Service Catalogue	A standard catalogue of available IT services to advice the wider organisation as to what is available from ICT.	Peter Wain						▓							
	WS3	Promotion of ICT Design Principles	Communication to wider organisation of reason and purpose of design structure.	Peter Wain													
	WS4	ICT Profiles, Competencies and Supported Learning Programme	Staff work profiles to determine services required	Simon Russell										▓	▓		
	WS5	Adoption and Change Management Approach	Develop a new approach to adoption and change management and modern service management to enable services to accelerate the adoption of change	AD Digital and Transformation	Active												
	WS6	Innovation Board, Governance Framework and Forum	Forum to explore digital improvements across the council	AD Digital and Transformation							▓						
	WS7	Audio Video Conferencing	Software and hardware implementation	Denis kalema													
Improved ICT Governance and Security	GS1	GCSX- Security and end of use	End of GCSX email use due to solution being discontinued	Peter Wain	Active	▓	▓										
	GS2	PSN Security Programme	Security changes to ensure legislative security compliance	Peter Wain	Active												
	GS3	Email Filtering Replacement	Replacement of current system	Peter Wain	Active												
	GS4	Web Filtering Replacement	Replacement of current system	Peter Wain	Active												
	GS5	Fire wall replacement	Replace firewalls to improve ICT & Cyber security	Peter Wain						▓							
	GS6	Hardware and Software Audit	Audit of all software and hardware	Simon Russell	Active												
	GS7	Meta-Compliance	Deployment of Policies software	Peter Wain	Active	▓											
	GS8	Meta Compliance Security Model	Software to deploy test phising campaigns	Peter Wain	Active												
	GS9	Network Monitoring Solution (SIEM)	Solution to enable network monitoring	Chris Day						▓							
	GS10	Data Discovery Software	Software to enable GDPR compliance and greater visibility of data	Dumi Williams						▓	▓						
	GS12	Members ICT Group	Creation of Members group	Richard Protheroe													
	GS13	Print Service	Restructure of Print service - subject to staff consultation	Simon Russell	Active				▓								
	GS14	Information Governance - Joint Proposals SBC/EH	Creation of Joint Information Governance department	Simon Russell	Active			▓	▓								
	GS15	Cyber Essential Programme	Security changes to ensure enhanced security compliance	Peter Wain	Active			▓	▓								

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ICT Joint Strategy - PLAN ON A PAGE

Our values

One team	Responsive	Straightforward	Innovative	Caring	Excellent

Future town future council

Delivering on our promises | **Building stronger foundations**

FTFC priorities

01 Town centre regeneration	02 Housing development delivery	03 Co-operative neighbourhood management	04 Excellent council homes for life	05 Connected to our customers	06 Financial security	07 Employer of choice	08 Performing at our peak	09 Place of Choice

Co-operative Council
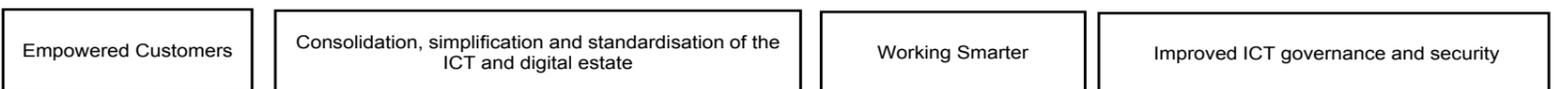
Community Designed Services

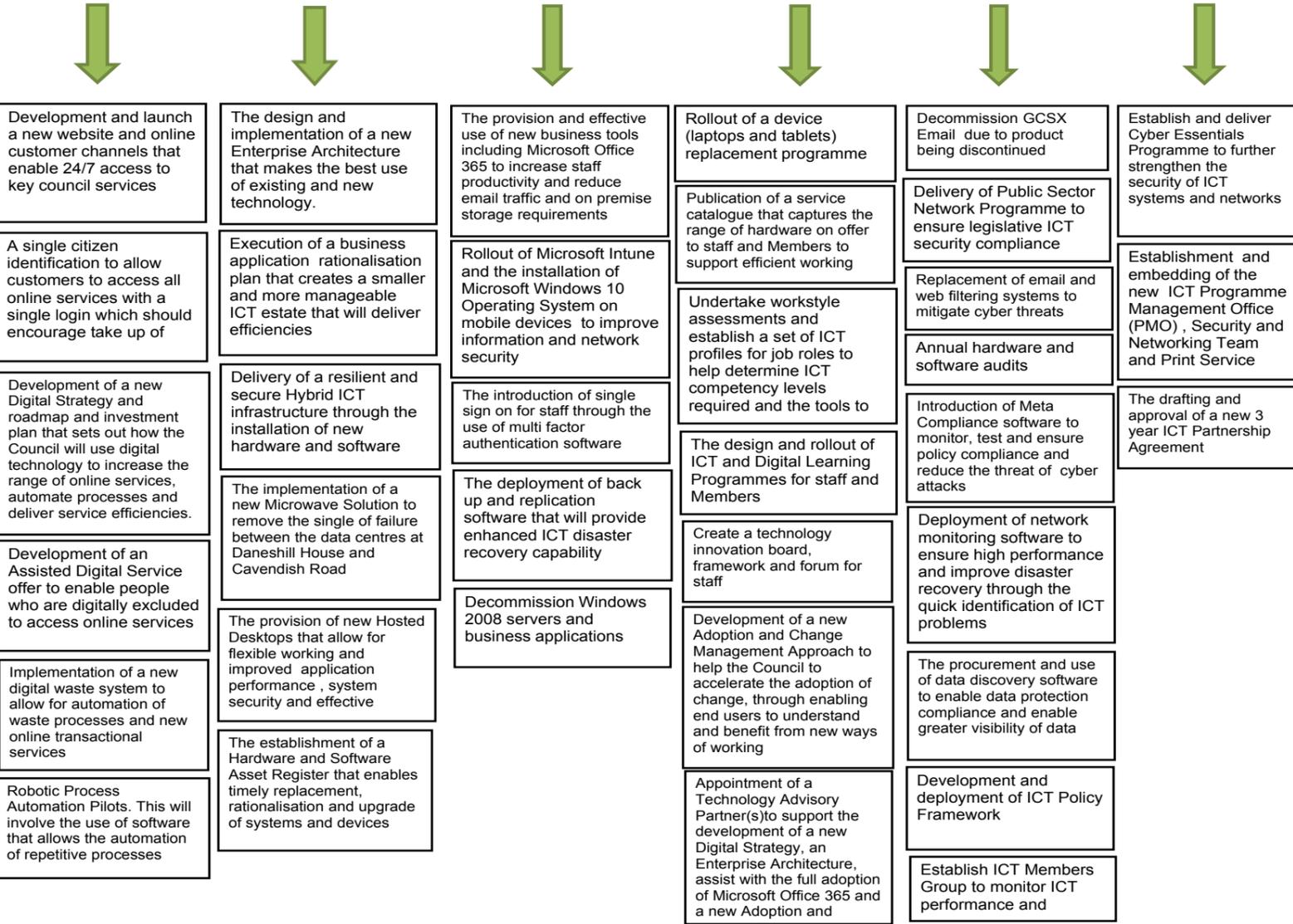Co-operative Councils Innovation Network — Member

Strategic ICT Vision

A modern and transformational ICT service that drives and supports delivery of joined up services to customers through the effective use of technology.
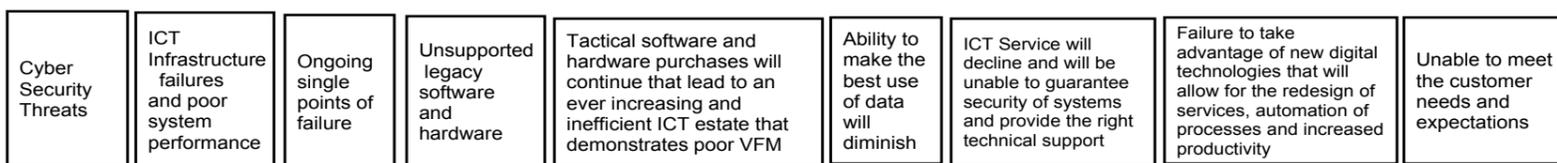
Strategic Ambitions

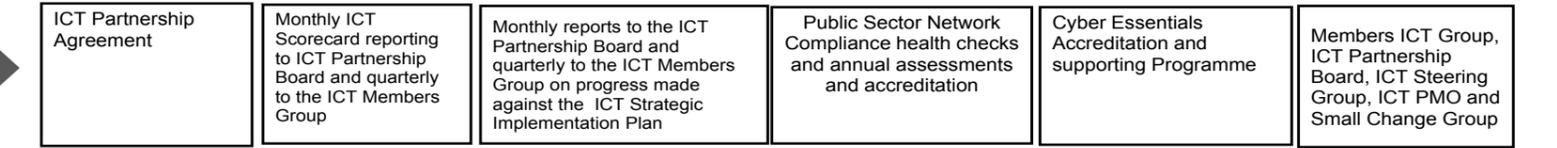| Empowered Customers	Consolidation, simplification and standardisation of the ICT and digital estate	Working Smarter	Improved ICT governance and security

plan - areas of focus

Empowered Customers	Consolidation	Consolidation 2	Working Smarter	Governance 1	Governance 2
Development and launch a new website and online customer channels that enable 24/7 access to key council services	The design and implementation of a new Enterprise Architecture that makes the best use of existing and new technology.	The provision and effective use of new business tools including Microsoft Office 365 to increase staff productivity and reduce email traffic and on premise storage requirements	Rollout of a device (laptops and tablets) replacement programme	Decommission GCSX Email due to product being discontinued	Establish and deliver Cyber Essentials Programme to further strengthen the security of ICT systems and networks
A single citizen identification to allow customers to access all online services with a single login which should encourage take up of	Execution of a business application rationalisation plan that creates a smaller and more manageable ICT estate that will deliver efficiencies	Rollout of Microsoft Intune and the installation of Microsoft Windows 10 Operating System on mobile devices to improve information and network security	Publication of a service catalogue that captures the range of hardware on offer to staff and Members to support efficient working	Delivery of Public Sector Network Programme to ensure legislative ICT security compliance	Establishment and embedding of the new ICT Programme Management Office (PMO), Security and Networking Team and Print Service
Development of a new Digital Strategy and roadmap and investment plan that sets out how the Council will use digital technology to increase the range of online services, automate processes and deliver service efficiencies.	Delivery of a resilient and secure Hybrid ICT infrastructure through the installation of new hardware and software	The introduction of single sign on for staff through the use of multi factor authentication software	Undertake workstyle assessments and establish a set of ICT profiles for job roles to help determine ICT competency levels required and the tools to	Replacement of email and web filtering systems to mitigate cyber threats / Annual hardware and software audits	The drafting and approval of a new 3 year ICT Partnership Agreement
Development of an Assisted Digital Service offer to enable people who are digitally excluded to access online services	The implementation of a new Microwave Solution to remove the single of failure between the data centres at Daneshill House and Cavendish Road	The deployment of back up and replication software that will provide enhanced ICT disaster recovery capability	The design and rollout of ICT and Digital Learning Programmes for staff and Members	Introduction of Meta Compliance software to monitor, test and ensure policy compliance and reduce the threat of cyber attacks	
Implementation of a new digital waste system to allow for automation of waste processes and new online transactional services	The provision of new Hosted Desktops that allow for flexible working and improved application performance, system security and effective	Decommission Windows 2008 servers and business applications	Create a technology innovation board, framework and forum for staff	Deployment of network monitoring software to ensure high performance and improve disaster recovery through the quick identification of ICT problems	
Robotic Process Automation Pilots. This will involve the use of software that allows the automation of repetitive processes	The establishment of a Hardware and Software Asset Register that enables timely replacement, rationalisation and upgrade of systems and devices		Development of a new Adoption and Change Management Approach to help the Council to accelerate the adoption of change, through enabling end users to understand and benefit from new ways of working	The procurement and use of data discovery software to enable data protection compliance and enable greater visibility of data	
			Appointment of a Technology Advisory Partner(s) to support the development of a new Digital Strategy, an Enterprise Architecture, assist with the full adoption of Microsoft Office 365 and a new Adoption and	Development and deployment of ICT Policy Framework / Establish ICT Members Group to monitor ICT performance and	

Action plan outcomes

ICT Risks

Cyber Security Threats	ICT Infrastructure failures and poor system performance	Ongoing single points of failure	Unsupported legacy software and hardware	Tactical software and hardware purchases will continue that lead to an ever increasing and inefficient ICT estate that demonstrates poor VFM	Ability to make the best use of data will diminish	ICT Service will decline and will be unable to guarantee security of systems and provide the right technical support	Failure to take advantage of new digital technologies that will allow for the redesign of services, automation of processes and increased productivity	Unable to meet the customer needs and expectations

Performance management & governance

ICT Partnership Agreement	Monthly ICT Scorecard reporting to ICT Partnership Board and quarterly to the ICT Members Group	Monthly reports to the ICT Partnership Board and quarterly to the ICT Members Group on progress made against the ICT Strategic Implementation Plan	Public Sector Network Compliance health checks and annual assessments and accreditation	Cyber Essentials Accreditation and supporting Programme	Members ICT Group, ICT Partnership Board, ICT Steering Group, ICT PMO and Small Change Group

Finance

Core ICT Partnership Revenue Budgets	EHC and SBC Capital Strategy 2019/20 onwards and 2020/21 Revenue Budget	External Grant Funding for ICT Cyber Security Projects

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Appendix C: ICT Strategy – SBC's known ICT capital projects and funding requirements 2019/20 to 2022/23

ICT Strategy Capital Requirements	Project Ref No.	Capital in 2019/20	Capital in 2020/21 £	Capital in 2021/22 £	Capital in 2022/23 £	GF 67% HRA 33% Yes/No	Reason for Spend
VMWare ESX and Horizon Upgrade	CSS4, CSS5	250,000				Y	To implement new hosted desktop hardware and software to improve performance and stability. Required for Window 10 Operating System and Office 365.
Hosted Desktop Refresh	CSS4	40,000				Y	To migrate hosted desktop Gold image from Windows 7 to windows 10 and also implement MS software to control Windows 10 on laptops/PCS
Intune Implementation	CSS8	20,000				Y	Device Management Software for mobile device such as laptops & mobiles.
OS/Database Upgrades (Windows 2008 and 2008 SQl)	CSS15	75,000				Y	Upgrade of all systems on Windows 2008, which will be end of life in January 2020. Removal required if we are to meet PSN security requirements.
Web and email filtering software	GS3 GS4	6,000				Y	Security software to replace present ageing solution
Storage replacement	CSS11	180,000				Y	Replacement of present aging storage
Secondary Link - Microwave Solution	CSS10	50,000				Y	Secondary link between data centres to give greater resilience to network
Microsoft Office 365 On-boarding	CSS13, CSS14	51,875				Y	Office 365 configuration: planning and enabled (Exchange Online, SharePoint, OneDrive, Teams etc) Migrate all mail content from Exchange 2013 into Exchange Online.
Microsoft Office 365 Productivity Governance and Compliance	CSS12	63,000				Y	Implement Governance and compliance requirements around usage of Office 365 (SharePoint Online and Teams) Develop a Governance and compliance plan specific to EH&SBC's use of the productivity platform. Technical and operational directives are produced that control, administer, and manage O365 collaboration services.
Microsoft Office 365 Modern Work Place Security Essentials	CSS12	65,000				Y	Solution architecture planning, team collaboration planning, business process management and implementing a production deployment that will support the cloud solution enablement. Protect employee corporate credentials and allow employees to securely share data with external partners and vendors. Provide employees with the capabilities to communicate and collaborate with internal and external contacts in a secure manner.
Next Generation Telephony	CSS17	25,000				Y	Upgrade Mitel telephony solution.
Modern Devices And Devices in Intune	CSS8	58,000				Y	Modern Desktop & Devices (Intune and System Center Configuration Manager) deployment planning and implementation -to provide an increased user experience and address security concerns.
Firewall Replacement Programme including management	GS5		74,950			Y	Replace ageing hardware and strengthen ICT security.
Switch Replacement Programme	CSS16		125,000			Y	Replace switches to improve ICT Infrastructure performance and security e.g. speed of data transfer.
Network Monitoring Solution (SIEM)	GS9		40,000			Y	Allows Security and Networking Team to monitor security of systems and network performance. Audit related requirement.
Data Discovery Software	GS10		35,000			Y	Allows us to identify and monitor structured and unstructured data on our network. GDPR enforcement tool.
Robotic Process Automation Pilot Projects	EC8		90,000			Y	Software, which allows automation of repetitive processes to improve productivity and reduce error in data entry.
Technology Advisory Partner	CSS1,CSS2, CSS12, CSS13,CSS14, CSS17 EC1, EC8,WS5		55,000			Y	Programme Capital Costs - associated to Office 365, Cloud Operating System
VEEAM Back up Software Upgrade	CSS6		7,500			Y	Upgrade and improve of backup software.
Ongoing hardware devices - for staff and Members and organisation	CSS19		150,000	100,000	100,000	Y	To fund hardware replacement programme as per Technology Roadmap e.g. laptops, tablets, mobile phones etc. and replace aging hardware running Windows 7
Telephony Hardware	CSS17		125,000			Y	Desk phone replacement programme that are compatible with new Mitel software
Audio Video Conferencing	WS7		15,000			Y	To equip meeting rooms with smart display screens, PCs and web cams to allow video conferencing and allow general display presentations.
Cloud network acceleration	CSS18			250,000		Y	Hardware - that priorities data flow to the cloud to improve data flow performance between user and cloud systems. Links to Cloud Operating Model.
Capital TA		57,500	57,500	57,500	57,500	Y	
Total		**941,375**	**774,950**	**407,500**	**157,500**		

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ICT Strategy Proposals

30 August 2019
Informal Executive

Simon Russell – Strategic ICT Partnership Manager
Tom Pike – Strategic Director

To be covered

- ICT Partnership

- Discovery and response to historic issues

- Successes so far

- The emerging ICT Strategy
  - Vision
  - Ambitions
  - Themes
  - Deliverables
  - Investment
- Next Steps

ICT Shared Service

- Partnership between SBC and EHC established in 2013 under a five year agreement

- Purpose to improved service resilience, governance and deliver VFM

- Improvement Plan developed and approved in Nov 2017 following significant ICT performance issues

- Service delivery mode for the last two years - focused on straightening out the service as a top priority

- Six external reviews commissioned:
  - SOCITM Review and Security Assessment - 2018
  - SIAS Disaster Recovery Audit - 2018
  - Annual Public Sector Network Assessment (and associated independent health check)
  - Microsoft Navigator Discovery and Planning Sessions - 2018/19
  - Service Governance Review completed in May 2018
  - ICT Partnership Financial Model Review conducted by 31Ten in July 2019

Software and Hardware Audit

What we know so far:

- Tactical rather than strategic use of software and hardware

- 142 software systems/applications have been identified (so far)

- Duplication of systems and applications within each council and across the Partnership that are driving costs

- 2,000 hardware devices identified including 34 different types of laptops and 20 different operating systems

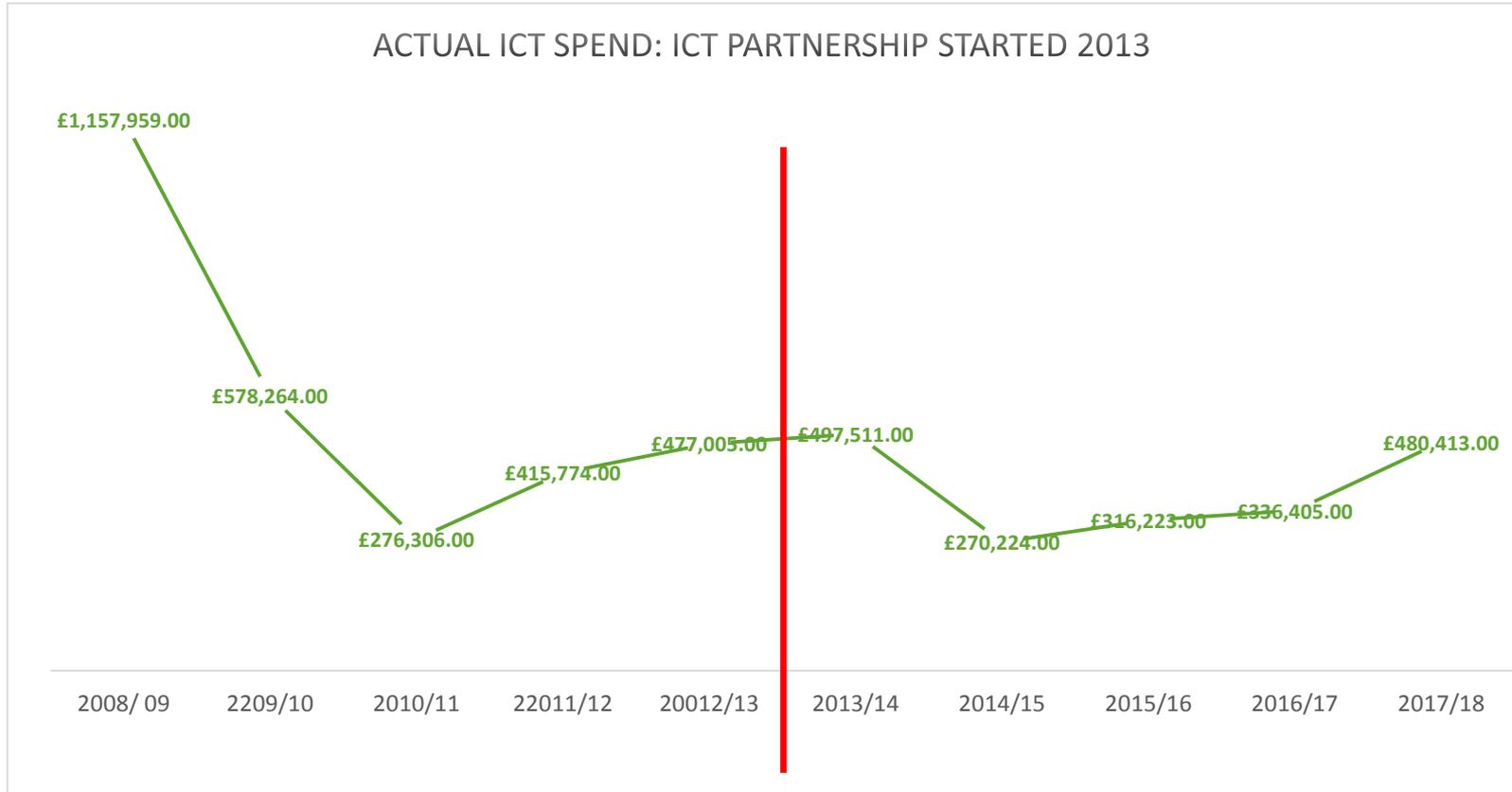- Significant opportunity to rationalise the ICT Estate across both councils

What we have discovered across the Partnership

- Need for a strategy based on strong technical understanding and forward planning

- Putting in place leadership and technical knowledge

- Out dated infrastructure and applications now being replaced

- Operational plans and processes being put in place

- Clear security and resilience plans needed and being implemented

- Funding requests need to follow a clear strategy and implementation plan

… There is more to do on maximising digital benefits and savings

Capital Investment – 10 Years

ACTUAL ICT SPEND: ICT PARTNERSHIP STARTED 2013

£1,157,959.00

£578,264.00

£415,774.00

£477,005.00

£497,511.00

£480,413.00

£276,306.00

£270,224.00

£316,223.00

£336,405.00

| 2008/ 09 | 2209/10 | 2010/11 | 22011/12 | 20012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |

Response so far

- IT Improvement Plan (Nov 2017) Phase 1 and 2 completed (except desktop upgrade planned for Autumn 2019)

- Partnership capital resources increased over medium term (however revenue pressures are being identified)

- Appointed ICT Strategic Partnership Manager

- Increased capacity and capability within ICT Team e.g. Programme Management Office, Networking and Security Management

- Development of ICT Strategy with supporting technology roadmaps and investment plan

Successes so far

Leadership:

- **IT Steering Group**
- **IT Partnership Group**
- **Project Management Office**

Security & Resilience:

- **IT Security & network team**
- **Email/Web software upgrade**
- **Improved power resilience**
- **Email security upgrade**

Projects:

- **Mobile Device Management upgrade**
- **Storage replacement**
- **Microwave link**
- **Azure Ad for single sign on**

Benefits of the Shared ICT Service

Why bother?	What this means …	But it doesn't apply
Economies of Scale /reduce duplication	Buying and caring for one system is cheaper than doing so for two	If you run different systems / applications
Improved quality / breadth of skills	A bigger ICT service offers more career opportunities and affordability for better technology	If you choose to have different objectives
Resilience / risk taking	You have more people, can take more risks and absorb more shocks	If you manage risks and shocks separately
Critical friend / shared ideas	You have a wider variety if experiences to draw on and can use each other as a benchmark	If your relationship is not trusted

Intention is to enter into a new medium term ICT Partnership Agreement between EHC and SBC.

Key features in helping to develop strategy proposals

- Business interviews

- Collaborative workshops

- Technology review

- ICT and service capability assessments

- Financial analysis

- Desktop and research analysis

Future Strategy 2019 - 2022

Proposed Partnership Vision

To create a modern and transformational ICT service that drives and supports delivery of joined-up services to Customers through the effective use of technology.

The vision will be delivered through four key strategic themes:

1. Empowered customers

2. Consolidation, simplification and standardisation of the ICT and digital estate

3. Working smarter

4. Improved ICT governance

Our Strategic Technology Objectives

- An IT architecture that enables a 24x7 public service, available to customers whenever and wherever

- To create a secure and resilient infrastructure

- Continue to drive up engagement with our customers, through digital channels

- To position ICT as a key business enabler

- Digital services become a key means of understanding customer needs

- Technology is maximised to meet the commercial needs of the Partnership

- Green ICT where possible to reduce our carbon footprint

Strategic Theme 1: Empowered Customers

IMPACT	BENEFITS	KEY DELIVERABLES
Improving responsiveness, experience consistent service through modern service channels	Improve customer experience with greater first line resolution and provide a consistent customer experience across services. Making services more accessible and offering the customer greater choice in how they contact us at what time and on what device.	• Expand access channels through new websites and customer facing digital platforms allow for 24/7 access to key services • Citizens identification • Promote and encourage community engagement through modern technologies • Digital East Herts and Digital Stevenage Strategies and supporting roadmaps • Provide an assisted digital offer that helps address the issue of digital exclusion.

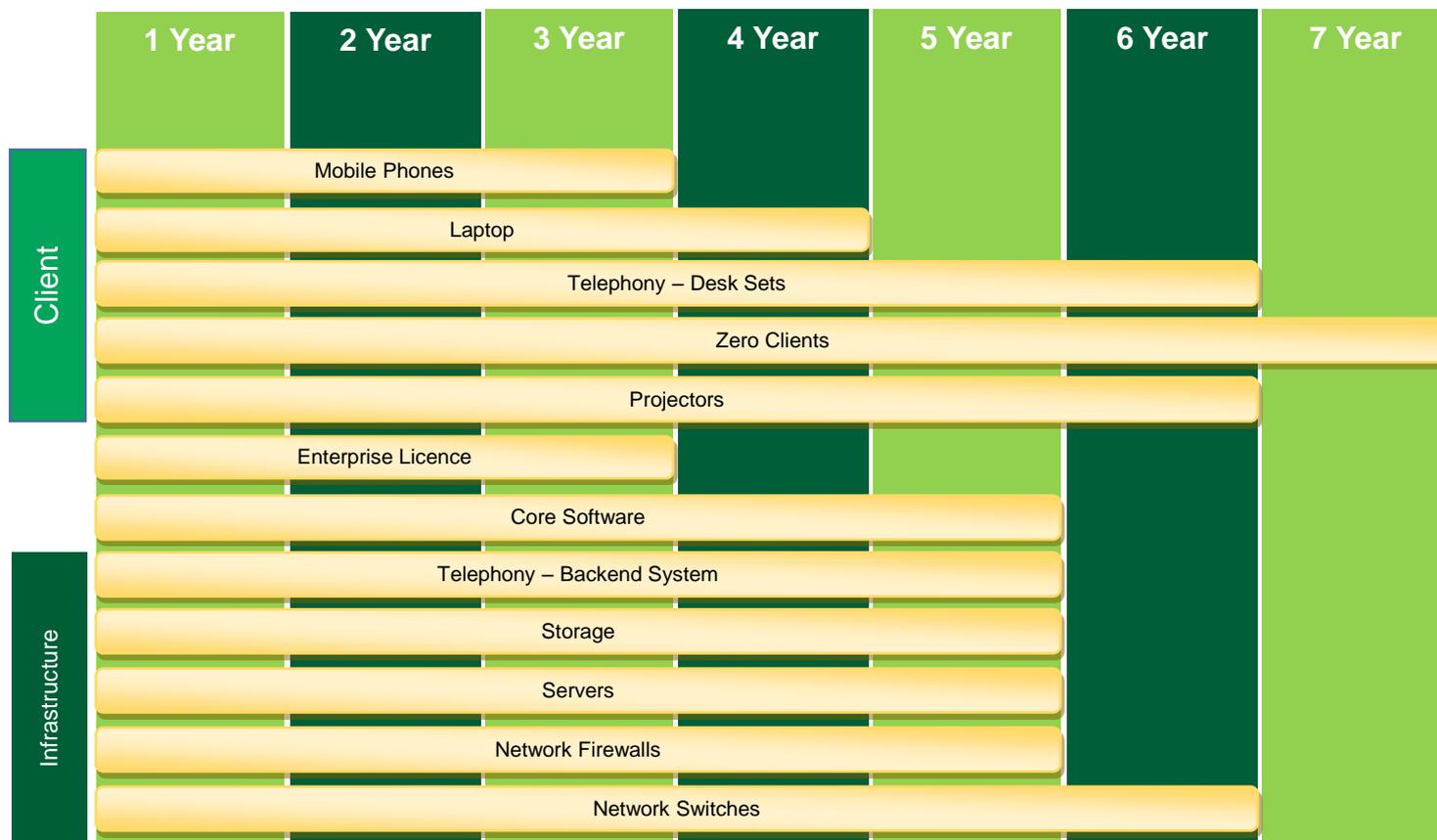# Strategic Theme 2: Consolidation, simplification and standardisation of the ICT and digital estate

IMPACT	BENEFITS	KEY DELIVERABLES
Enabling the greater flexibility and agility of both employees and Members through a resilient and secure infrastructure and the deployment of appropriate technology	Ensures a modern workplace that is flexible and responsive to organisational and customer needs. Provides relevant tools to enable an efficient work place. Reduces the Partnership's environmental impact.	• Software and Hardware Audit • A new Enterprise Architecture that enables the Partnership to make the best use of existing and new technology • The introduction of new hosted desktops and Microsoft Office 365 • A resilient and secure 'hybrid' infrastructure that can support both on-premise and cloud based applications and systems • Applications and Hardware Asset Register • Execution of an Application Rationalisation Roadmap

Secure and reliable infrastructure

A Secure and Reliable Infrastructure

Technology Lifecycles

	1 Year	2 Year	3 Year	4 Year	5 Year	6 Year	7 Year
Client	Mobile Phones						
	Laptop						
	Telephony – Desk Sets						
	Zero Clients						
	Projectors						
	Enterprise Licence						
Infrastructure	Core Software						
	Telephony – Backend System						
	Storage						
	Servers						
	Network Firewalls						
	Network Switches						
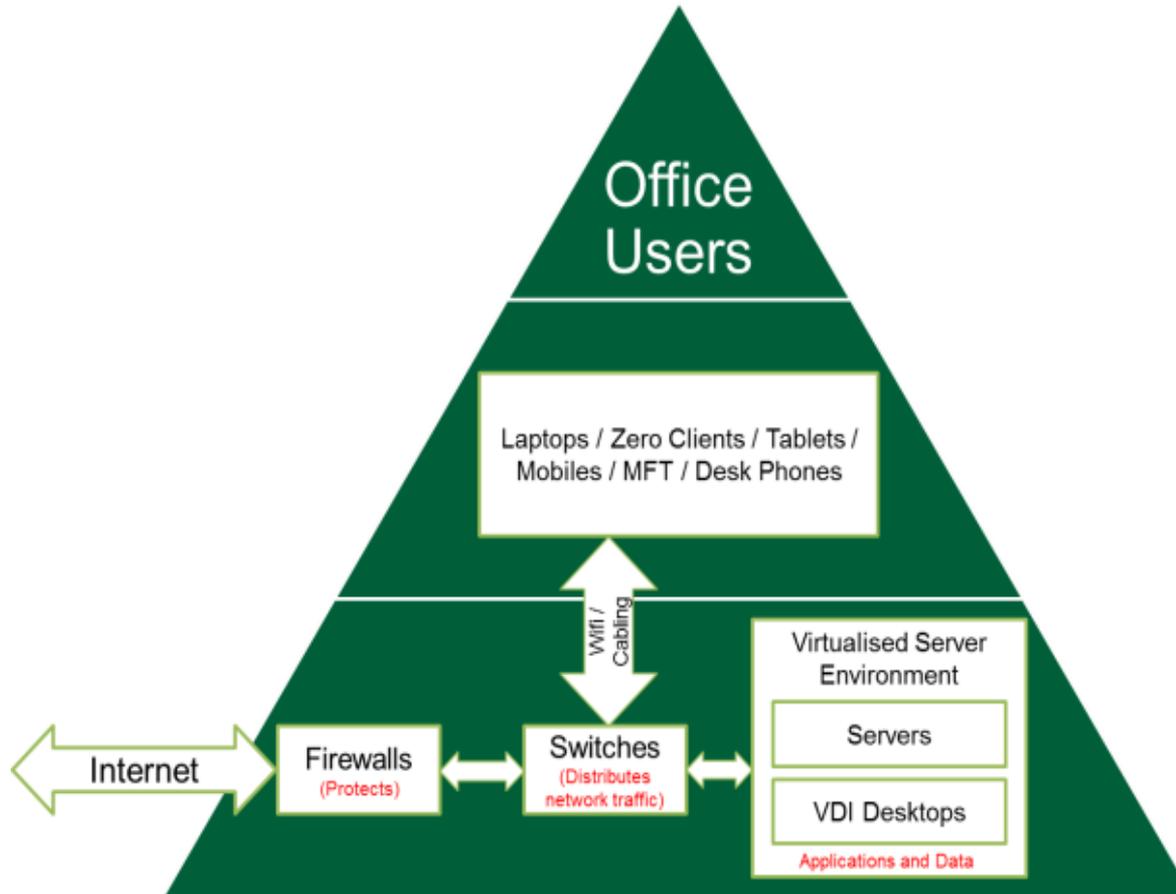
Microsoft Office 365: user experience

- Modern business tools
- Enables an agile workforce
- Increased staff productivity
- Greater collaboration
- Document management
- Green ICT - reduced travel costs, reduced on premise data storage requirements
- Will enable the rationalisation of some business applications
- 99.9% applications uptime

Strategic Theme 3: Working Smarter

IMPACT	BENEFITS	KEY DELIVERABLES
Enabling redesign of processes/services to be more accessible and efficient, and better for customers. Promote efficient and effective working. Enabling financial stability and the promotion of environmental good practice.	Operational efficiency through the effective use of existing or new technologies. Reduced waste. Improved service delivery through operational consistency.	• Standardise the mobile devices and operating systems • Service catalogue that captures the range of hardware on offer to support efficient working • Promote Digital by Design • Develop a new approach to how we implement systems to get the benefit • Digital Transformation Programmes that review and exploit technology to ensure the greatest operational benefit being gained • Capture efficiencies and lessons learned to avoid cost and effort

Supporting implementation

**3 key workstreams for 'one off' projects:**

- **Modern Workplace - Office 365 -** To enable Office 365. To empower SBC/EHC users with the knowledge and skill to get the best from the Office 365 platform, and maximise investment through the full suite of Office 365 applications.

- **Digital Strategy(ies) and Roadmap -** To work with SBC and EHC leadership teams to develop digital plans which can improve customer experience, prioritise projects and prepare for delivery of these projects

- **New Ways of Working –-** To enable SBC and EHC to drive and accelerate adoption of change, by engaging and guiding end users and IT professionals to understand the new ways of working and the impact and benefits of those changes.

Strategic Theme 4: Improved ICT Governance

IMPACT	BENEFITS	KEY DELIVERABLES
Delivering robust and resilient safeguards ensuring ongoing availability and a means of recovery . Safeguarding data by ensuring compliance with all relevant legislation and security standards. Ensuring our information assets are effectively managed in line with relevant legislation.	Ensures availability and continuity of services to our customers and the management of risk related to the Partnership's ICT assets.	• Maintain compliance with legislative and agreed security standards (e.g. PSN and GDPR, Cyber essentials • ICT Policies Framework • Sourcing Strategy to enable effective strategic investment decisions and procurement • Technology and governance implementation plans • Enhance arrangements for business continuity • Implement appropriate software/procedures to support archiving • Establish effective ICT and Digital delivery teams • Creation of a Members Computer Working Group

ICT Governance
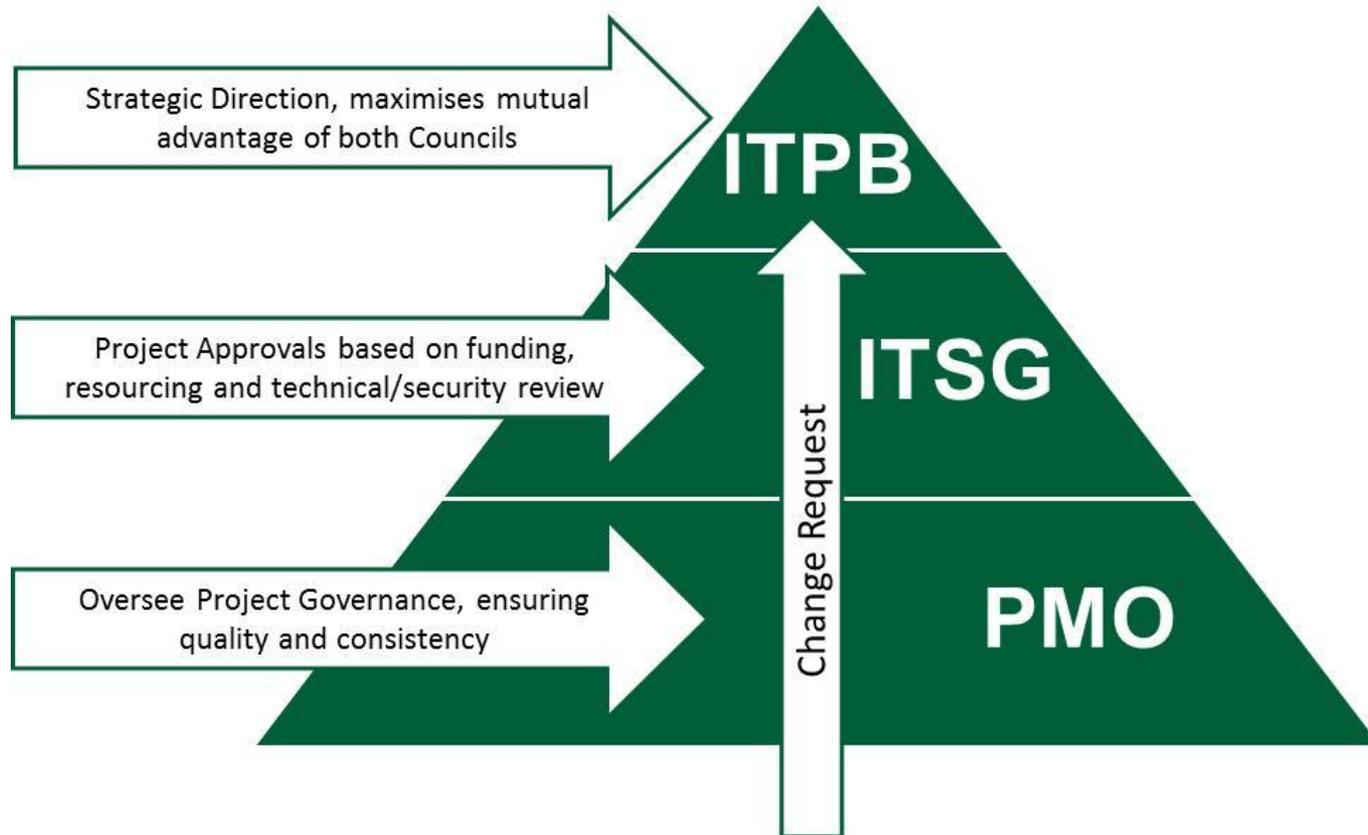
Implementation Plans

The Partnership is taking a longer term, strategic view of the development and deployment of ICT and Digital. To support this we will produce a series of roadmaps. The first of these will be:
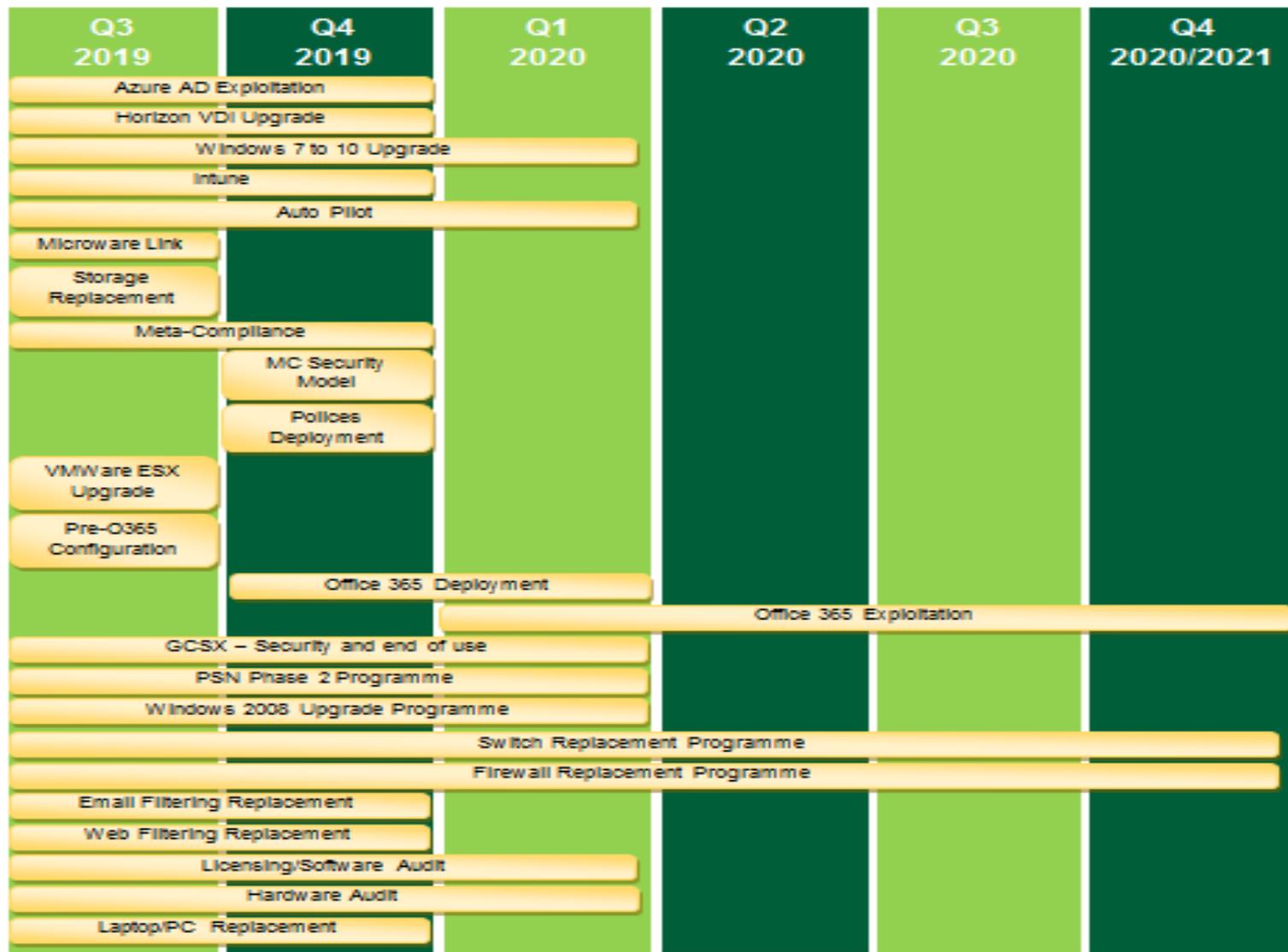
ICT
- Infrastructure Roadmap
- Enterprise Architecture Roadmap
- Governance Roadmap

Digital
- Digital Platform
- Website

SBC Specific Business Roadmaps
- Housing Roadmap
- SDS Roadmap

Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020/2021

Azure AD Exploitation

Horizon VDI Upgrade

Windows 7 to 10 Upgrade

Intune

Auto Pilot

Microware Link

Storage Replacement

Meta-Compliance

MC Security Model

Polices Deployment

VMWare ESX Upgrade

Pre-O365 Configuration

Office 365 Deployment

Office 365 Exploitation

GCSX – Security and end of use

PSN Phase 2 Programme

Windows 2008 Upgrade Programme

Switch Replacement Programme

Firewall Replacement Programme

Email Filtering Replacement

Web Filtering Replacement

Licensing/Software Audit

Hardware Audit

Laptop/PC Replacement

ICT Investment for Strategic Themes 2, 3 & 4

- Capital and Revenue investment requirements to deliver the strategy are to be fully determined post engagement

- Medium/longer term shift from Capital to Revenue

- Financial Modelling for the core ICT service completed and funding principles have been agreed

- There will be a return on investment that will need to be monitored and captured

- Strategic Theme 1 – is currently being funded through CTOC Programme, however additional investment will be required to support the delivery of a new digital transformation strategy.

Indicative Capital Requirements	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Capital Requirement	865,500	967,450	350,000	100,000
Capital Budget	921,400	457,220	456,980	456,980
Growth	-55,000	510,230	-106,980	-356,980

Revenue Growth (indicative)	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Total	201,550	570,530	196,5304	196,530

Key Technology Outcomes

Customers
- An enhanced online service offer enabling 24/7 self service
- Unified customer experience

Staff/Members
- Increased productivity through a reliable infrastructure and the full adoption of modern applications e.g. Microsoft Office 365
- Enabling staff to be able to work flexibly
- Improved access to information, enabling better and faster decision making

Shared Service Partnership
- Improved governance and benefit realisation
- Improved financial planning and control through understanding technology life cycle
- An enhanced, resilient, secure infrastructure and core ICT offer
- Cost savings through the rationalisation of systems

How do we know if we are successful?

There are four key measures of success for this strategy:

- Empowered customers through the increased take up of digital services and evidenced through outstanding customer feedback

- The development and implementation of an agreed IT Architecture that enables the consolidation of business systems and delivery of financial efficiencies

- Significant improvements in the performance of core ICT services including the adoption and deployment of the likes of Office 365 and new hosted desktop technology

- A resilient and secure ICT infrastructure that provides the required foundation to build front facing digital services and deliver efficiency savings and increased productivity

Next Steps

EHC/SBC Leadership Team Engagement — August

Informal Executive/Member Engagement — 30 August/September

CE and Deputy CEs from EHC and SBC to meet to discuss future digital service ambitions — 25 September

Finalise Exec Report, Strategy and Investment Plan — September

Formal Executive consideration of Strategy — October/November*

*Subject to agreement with EHC

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The Shared Service Improvement Plan made the following high and medium level recommendations. The progress made against each items is shown in the table below:

Shared Service Improvement Plan High-level recommendations:

IT Governance Structure – There are no defined IT policies and procedures in place for the Shared IT Service	• Acceptable Usage Policy – Written and gone to HR for final approval • Data Protection & sharing Policy – Completed and on intranet • Mobile Device Policy – In draft approval awaiting changes in security systems, which will change security environment. • Remote Working Policy – part of flexible working plans. ICT working with HR as impact relates to working practices. • Social Media Policy – Completed and on intranet Protocols: • Security Breach response Protocol – In draft • Change Control Protocol – In draft with change control procedure going live January 2020. Meta- compliance software has been deployed which allows deployment to staff.
IT Governance Structure – Neither the Shared IT Service nor the Councils have defined IT strategies in place, including defined metrics against which to measure the performance of the Service.	ICT strategy has been completed and accepted by Stevenage Borough Council. East Herts senior leadership team has agreed strategy but it has final approach scheduled for December 2019.

Medium Level Recommendations

IT Governance Structure – Job descriptions for staff members within the Shared IT Service are out of date and are not reviewed on a regular basis.	All ICT Job descriptions have been reviewed over the past year with the exception staff related to Print restructure. Information System Analysts JD is under review by HR.
IT Rationalisation – There is not a coordinated approach for identifying and assessing new technologies that would meet the needs of both Councils, including the identification of duplicated services.	ICT audit has been completed which identifies duplicate system. As part of the ongoing Project Management Office (PMO), we will be identifying all update/replacement schedules for systems and aligning when systems can be amalgamated. The ICT strategy also outlines the need to reduce the overall number of systems the council runs and where possible those functions taken over by Office 365. The ICT Steering Group and ICT Partnership board will be used as the sounding board by the PMO for any future ICT projects to evaluate and exploit new technologies identified by ICT or the wider businesses.
IT Budget Management – There are no arrangements to monitor individual project budgets on an ongoing basis nor are there defined budget setting procedures.	The Project Management Office (PMO) now evaluates all projects included the financial aspect of all projects. All projects are identified during the budget setting cycle with finance departments as part of the ICT strategy. Monthly meetings take place between ICT and finance staff from both councils to discuss progress and budgets changes. Members of finance also sit on the partnership and steering group boards.

Management should establish a network access control to block unknown or unauthorised devices from connecting to the Council's IT network. This should include restricting the ability to physically connect to the IT network. Where there is a demonstrable need for a device to connect to the IT network, the Service should require: The purpose for the connection has been recorded Appropriate security controls have been enabled on the device connecting to the IT network The period of time that the device will require the connection All connections are approved before being allowed to proceed. Devices connected to the IT network should be reviewed on a routine basis.	80k has been budgeted to procure a network-monitoring tool, which will provide these functions and others. This procurement exercise will commence in January 2020. The majority of devices, which connect to our wired network, are ZERO thin client boxes with a smaller number of static PCs and Laptops. The majority of laptops use our wireless network and from a security requirement are treated as remote access devices, which reduces their security risk. This structure reduces our security risk but we still need to defend against 'unknown' devices attempting to connect to our network.
There should be a record of the configuration of the Council's firewalls, which includes but is not limited to: The purpose of all of the rules The expected configuration and activity for each rule The member of staff that requested and approved the rule The configuration of the firewall should be reviewed on a routine basis. The Service should develop a Firewall rule policy to provide the list of controls that are required to secure firewall implementations to an approved level of security.	Configuration of firewall rules has been created and is being updated as the requirement changes. This under the control of the security & network team for consistency and auditing purposes. A firewall policy is being created as suggested alongside our redesign of the network. All firewalls and switches are being replaced in Q1/2 of 2020 and this part of that design work.
Management should update the Council's IT disaster recovery plan to include the procedure for establishing all IT services at a single data centre. A complete IT Disaster Recovery scenario test on all applications and systems should take place to provide assurance that recovery could happen within the expected time frame. The Service should document the results of the test to determine the further actions required to improve the efficacy of the plan.	We have secured funds from a Local authority grant to have an outside agency review and amend our DR plans. This will be commissioned post implementation of the replacement of Storage and VDI hosted desktops planed for completion Q1. The new capabilities these systems will give will substantially change and improve our DR capabilities and plans. A secondary link using Microwave technology to remove the single point of failure of the network link between both data centres is scheduled for

	completion in January 2020.
	Remedial work on electrical systems at both data centres to remove single points of failure has been completed.
	Tests will be planned post that implementation when resources and business demands allow.

Note: As part of improved governance structure, the ICT strategic Partnership manager will be reporting on a quarterly basis to the Members ICT committee. If required similar reporting to the audit committee on agreed time frame can also be implemented.

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