

This report will be made  
Public on 10 January 2023

# Hythe Town Council

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Report number **F&GP/29/22**

To Hythe Town Council  
Date 02 February 2023  
Status **Non-Exempt**  
Responsible officer Responsible Financial Officer

Subject **UPGRADE TO IT REPORT F&GP/29/22**

**SUMMARY:** This report reviews the current Office IT structure and recommends the Committee review in accordance with good practice.

## **REASON FOR RECOMMENDATION:**

The Committee is asked to agree the recommendations set out below because;

- a) As part of the Annual Governance statement, The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control.
- b) The Council is committed to manage its financial affairs under the Financial Regulations Act.

## **RECOMMENDATIONS:**

- 1. To receive and note the report F&GP/29/22**
- 2. To recommend to full council to upgrade the office IT equipment.**
- 3. To vire the funds for the resolved items above from the allocated IT reserves.**

## **INTRODUCTION**

Every year Hythe Town Council should review its own Information Technology (I.T) infrastructure and complete necessary risk assessments to ensure that all information held by Hythe Town Council Officers and Councillors include measures designed to prevent and detect fraud and corruption.

As a minimum, an authority must identify and assess risks, and address those identified by mitigating or managing them.

As risk is an uncertain event or condition that will have effect on the council's operations, authorities should identify both financial and operational risks which also includes the security and use of IT software (programs and applications) and hardware (physical assets).

Failure of IT systems and misuse pose a threat to a council if not assessed on a regular basis. The risk of damage could affect the council's services to the public.

## **GDPR**

All Data should be protected under the Data Protection Act.

## **Hythe Town Council's current Information Technology structure consists of; HARDWARE**

Town Clerk – PC + Laptop + HP printer

Finance and Projects Officer - PC + Laptop + printer

Plans and Facilities Officer - PC + Laptop + printer

Council and Charities Administration Assistant - PC + Laptop

Town Sergeant – PC

*Staff Laptops are used for working from home, studying and streaming meetings.*

Reception office – Vodafone Router + Leased printer + PC used as a Community Share Drive. The PC is used as a server to for shared data for all the staff but is not suited for the amount of data that it holds. If the PC were to fail the data would be lost. It has been recommended by ADM to install a Synology NAS with 4 Hard Drives for a cost of **£745.99** plus **£350** installation fee with redundant back up to keep the backups safe in case of a drive failure.

## **SHAREPOINT, EM&S and MFA PROJECT**

The other option is to move to '**SharePoint**' Following the recent upgrades in 2020 to the office computers and windows software it has been highlighted that the present back-up systems are not secure as they are only backed up to another PC base unit and not a heavy-duty server this pertains a huge risk should data be lost.

SharePoint is a web-based collaborative platform that integrates with Microsoft Office. Launched in 2001, SharePoint is primarily sold as a document management and storage system, but the product is highly configurable, and usage varies substantially among organisations. While SharePoint Online is a component of the cloud-based Office 365, it is available as a standalone product.

OneDrive is an online document/file storage platform. It's typically used by individuals and business teams who need a central location to store and access files. SharePoint is a collaboration tool for businesses that need multiple individuals and teams to work on documents and products at the same time.

The SharePoint migration is transferring all the data from the server into the serverless, web-based infrastructure which is SharePoint. So, any files in SharePoint that are worked on it all syncs for the colleagues that have permission to access those files. For example, if any of the finance team work on a file it will save and sync for the rest of the finance team who have permission to see those files.

It is all permission based so there would be control to what files people can access e.g., there can be permissions so that finance/admin can see certain files that everyone else cannot and Councillors have permissions and files they can/cannot access etc.

Equally, files can also be worked on at the same time by other colleagues for collaborative projects and it is as easy as jumping in the same file!

The engineers that will be doing the SharePoint migration will give a basic handling of how SharePoint works also – (How to share and save files and how to access SharePoint and how to create shortcuts from desktops straight into SharePoint).

SharePoint Setup and Configuration cost: **£3000** (ADM need an up-to-date data audit in order to get more specific price as original quote was done so long ago that SharePoint has changed significantly)

### **MFA and Enterprise, Mobility and Security:**

Following an email breach earlier on in 2022 it highlighted that HTC's 365 was at a risk factor of HIGH with a secure score rating of 16.95%. ADM have suggested that Multi factor authentication (MFA) be introduced as an imperative part of security. MFA would act even in the event of leaked credentials and would ask for another method of authentication to the user's mobile device to allow or deny access to the

data. This would be rolled into the SharePoint project as EM&S set up is a necessary final configuration once data has been migrated to SharePoint, this covers conditional access and permissions within SharePoint as well as allowing the setup of MFA for users with additional Azure AD P1 licensing included within EM&S.

Upgrade Microsoft 365 Business Standard to Microsoft 365 Business Premium (includes Azure AD P1 and EM&S licensing)

Add additional EM&S licensing to Microsoft 365 Business Basic users (gives Azure AD P1 licensing)

### **Office 365 Backup with ADM**

This is necessary as although the data will be more secure in SharePoint there is still always the possibility of accidental deletion of files or malicious attackers accessing the network. SharePoint does not have the failsafe backup ADM can provide.

ADM provides offsite back up which we can physically bring to site and restore to Hythe Town Councils SharePoint on the day or push back into your tenant remotely. Backups save time and money in the long run when you consider the number of problems that could arise from loss of data. Especially in the current cybersecurity climate where ransomware is becoming more and more common 39% of business in the UK were hit by malware in 2022.

Cost: **£1.60** per user per month. (Total 365 user accounts 29 **£46.40**)

Storage space cost per month: **£20**

Total per year cost: **£796.80**

### **Total Costing Breakdown:**

Microsoft 365 Business Premium x7 - **£199.20** per user per year

Azure Active Directory P1 x17 - **£54** per user per year

EM&S and MFA setup and configuration labour cost: **£2250**

SharePoint setup and configuration: **£3000**

Project Management: **£525**

## **Totals:**

One off Cost: **£5775**

Recurring Cost: **£3482.40 annually\* or with backup £4279.20**

*This recurring cost also includes already existing licensing that will still be required after SharePoint set up specifically the Business Basic licenses for the councillors and Exchange Online Plan 1. This price also reflects Business Basic Licensing price increase from £41.40 to £54 this change will come into effect at renewal in February 2023 when current licensing expires.*

\*This project will replace existing Business Standard licensing below.

## **Explanation of Licensing Requirements**

Microsoft 365 Business Premium for office staff includes previous standard licenses benefits as well as Enterprise, Mobility and Security licensing required for setting up conditional access for ease of access when logging in at the office (office would be set up as a trusted IP so MFA wouldn't be triggered) and permissions within SharePoint. Without specific configuration, all folders on SharePoint will be accessible by all members of staff i.e.. confidential information would be accessible to all staff. This licensing also includes Azure Active Directory Plan 1 which enables the setup of MFA (Multi Factor Authentication). This is one of the most important security features that adds an additional layer of authentication after using a password to log in. Passwords on their own are no longer considered enough to protect user accounts against increasingly sophisticated phishing scams and malware.

Adding Azure Active Directory Plan 1 to the existing business basic licenses for the councillors will enable ADM to set up MFA for councillors as they are still part of the network allowing them to only use passwords opens the entire organisation to the same risks as previously mentioned.

## **Why ADM Computing recommends SharePoint?**

As a Microsoft Gold Partner, ADM Computing have deployed and successfully migrated many businesses across to SharePoint which is our trusted cloud native collaborative solution, which not only integrates with their support team's expertise, but also Hythe Town Councils 365 ecosystem i.e., Outlook, Teams, OneDrive that is already provided with our current licensing. Going with SharePoint negates the risk

of hardware reliance should the current machine our data is stored on corrupts or fails, all our data would be stored into the cloud and be backed up as outlined above. This would also give the opportunity for users to work remotely, if necessary, as the only caveat to cloud native working is reliance on a stable internet connection. SharePoint also offers tools such as co-authoring which enables multiple users to be working on the same report/document cohesively.

Following the prerequisite audit checks to confirm data is suitable to migrate to SharePoint, they will set up a timeline to start the migration of data and building of our SharePoint libraries and site. Depending on internet speeds the data migration time can vary. In cohesion with this, they will work with Hythe Town Council to understand the areas of permissions for staff and what requirements there are surrounding it to ensure confidential data remains protected. Once the project has been completed final checks will be completed to make sure that everything is functioning as required, moving forward ADM will be able to assist with any teething issues that may arise once SharePoint is deployed.

## **LICENSING AND SOFTWARE**

**Microsoft 365 Business Standard x7** - £112.80 ex VAT per user per year (£789.60 annual total)

Office staff (Town Clerk, Town Sergeant, Finance and Project Officer, Plans and Facilities Officer, Council and Charities Administration Assistant)

**Microsoft 365 Business Basic x17** - £41.60 ex VAT per user per year (£707.20 annual total)

Councillors, Town Hall Caretaker/Senior Tennis and Bowls Assistant and the Pavilion Caretaker.

**Exchange Online Plan1** (email only) x7 - £36 ex VAT per user per year (£252 annual cost)

Current total License cost per year: **£1748.80**

### **Current User list and Associated Licenses:**

Display name	Licenses
Caretaker Townhall	Exchange Online (Plan 1)
Emergency	Exchange Online (Plan 1)

Town Clerk	Exchange Online (Plan 1)
Previous Town Clerk – Old email ( <b>Will be deleted at end of term</b> )	Exchange Online (Plan 1)
Scanner	Exchange Online (Plan 1)
Plans and Facilities Officer	Exchange Online (Plan 1) +Microsoft 365 Business Standard
Councillor A Dickinson	Microsoft 365 Business Basic
Councillor A Jones	Microsoft 365 Business Basic
Councillor D Owen	Microsoft 365 Business Basic
Councillor D Wade	Microsoft 365 Business Basic
Councillor H Williams	Microsoft 365 Business Basic
Councillor J Hawkins	Microsoft 365 Business Basic
Councillor J Martin	Microsoft 365 Business Basic
Councillor K Miles	Microsoft 365 Business Basic
Councillor L Fraser ( <b>previously associated with</b> )	Microsoft 365 Business Basic
Councillor M Dearden	Microsoft 365 Business Basic
Councillor M Whybrow	Microsoft 365 Business Basic
Councillor N Slade	Microsoft 365 Business Basic
Councillor P Graham	Microsoft 365 Business Basic
Councillor P O'Connor ( <b>previously associated with</b> )	Microsoft 365 Business Basic
Councillor S McConnell	Microsoft 365 Business Basic
Councillor T Prater	Microsoft 365 Business Basic
Caretaker Pavilion	Microsoft 365 Business Basic
Admin	Microsoft 365 Business Standard
Clerk	Microsoft 365 Business Standard

Curator	Microsoft 365 Business Standard
Finance	Microsoft 365 Business Standard
RFO	Microsoft Power Automate Free + Exchange Online (Plan 1) +Microsoft 365 Business Standard
Terry Reese	Microsoft Power Automate Free + Exchange Online (Plan 1) +Microsoft 365 Business Standard

All licenses are due for renewal In February 2023 number of licenses can be changed at that point. Licenses can be upgraded before that if necessary.

**Sophos** – Protects against ransomware and malware from malicious links from emails which would threaten endpoints. It does not protect against leaked credentials of the council's 365 accounts/data that other attackers could log into if breached. We have a three-year licence for Sophos, 2023/24 will be the last year, and therefore will be free of charge.

**Scribe** – Accounts and Booking Software Cost **£2,138** per year.

**Sage** – Payroll and Pension Software Cost **£690** per year

**Asana** – Work Management Software Cost **£1,390** per year

### IT Maintenance Support

**£960** per annum which covers 1 hour per month of telephone, remote support and onsite.

Currently overusing support contract as outlined below:

Hours Budget PM	Hours Used PM	Hours Budget To Date	Hours Used To Date
1.00	2.65	8.71	23.84

An increase in contract is necessary to cover some of the overuse going forward:

Cost **£1200** per year and then monitoring hours used going forward.

**Website** – Aubergine Cost **£199** per year

**Firewall – It has been recommended** by ADM that a WatchGuard Firebox be installed with either a 1-year subscription £1,162.63 or a 3-year subscription **£2,123.07** (The 3-year subscription is great as value as it gives 3 years for less than the price of 2 years.) plus labour involved in setting up and configuring the Firewall and includes set up at the office £750.00.

Below is a breakdown on why they recommend WatchGuard Firewalls They have tweaked some of the points to highlight specific benefits for Hythe Town Council:

### **Background**

- Around 61% of companies have faced some kind of security threat.
- Over half of those companies have come across some sort of data breach.
- All of this kind of info can be sold and used against you.
- Average cost of a breach is around £188,000.
- 60% of companies go out of business within 6 months of a data breach.

### **WatchGuard Threat Lab**

- Watchguard Firebox's feed into WatchGuard's data centre which allows them to see trends on their threat lab, as a customer of WatchGuard, you can access this data, see local views monthly, yearly, or weekly.
- In Q4 2018, WatchGuard Fireboxes blocked over 1,244,146 network attacks.

### **Firebox Feed Trends**

- Two main types of threats - 63.1% is Known Malware (seen it, reacted to it, secured against etc.) 36.9% is Zero Day Malware (your networks within SME (200-500 users) are facing these threats.) .
- Personalised email phishing.

### **Why WatchGuard**

- Network security experts – Trusted partner of ADM computing (we recommend every business have a WatchGuard Firewall due to the protection it adds)
- Visibility of users, type of traffic coming through – both in and out of your office network, to make sure malicious actors can't access your data and to prevent accidental or intentional access to risky or malicious websites from within your organisation.
- On top of the firewalls there is layered security that talks to each other (Whether you're a single user or have multiple users there is no difference in security) (Best in class security solutions - utilises other technologies to sit on top of the firewalls in your case Sophos - Cloud threat detection engine makes an educated decision based on various results from technologies that they

don't block false positives etc. (during the configuration process we can specify if specific websites should or shouldn't be blocked)

- Threat Detection Response – this is automated.

### **Visibility (WatchGuard Cloud)**

- You can create your own threat research on your own network – ADM will set this up during config and can highlight for you if any suspicious trends are found.
- Takes all the logs from the firewall and links in back into the active directory so WatchGuard can see who's doing what. - enables us to spot trends what users are going against security policy, why they aren't productive. (slightly different for HTC as you do not use active directory, but web traffic will still be recorded)

### **SUMMARY**

The office currently uses an additional PC to store documents which is not built for purpose. The option to use on-line access through Microsoft 365 with storage up to 1TB is recommended this will provide real time online access to users with cloud storage with the facility to share documents through SharePoint/OneDrive. Additionally, backups should be created of all data.

### **ADM have recommended to install the following;**

- **Synology NAS with 4 Hard Drives** for a cost of **£745.99** plus **£350** installation fee
- **Office 365 Backup with ADM AND SharePoint set up and configuration.**  
One off Cost: **£5775**  
Recurring Cost: **£3482.40 annually\* or with backup £4279.20** (£356.60 per month)  
NB: Cost less SharePoint **£1279.20**
- **Firewall** –WatchGuard Firebox for a 3-year subscription £2,123.07 (£58.97 per month) (The 3-year subscription is great as value as it gives 3 years for less than the price of 2 years.) plus set up and configuring the Firewall **£750.00.**

There is currently £4898 being held in allocated Reserves for IT purposes. The total cost of installation of all the products recommended would amount to £7620.99 with SharePoint included. If the committee are minded and wish to install the full recommendations £4898 It Reserves leaving £2,722.99 which could be vired from Unallocated Reserves balance stood at £105,937.53 as of 31 December 2022.

## **RISK MANAGEMENT**

A summary of the perceived risk follows;

**Perceived Risk** The Council does not upgrade to cloud back up storage and there is a risk of theft or fire and malicious viruses and ransomware exfiltrating or wiping data.

**Seriousness** High

**Likelihood** High

**Preventative Action** The Council upgrade to Cloud back storage and create a backup solution to protect all data.

## **CONTACT OFFICER**

If you have any queries about this report, please contact The Town Clerk/Responsible Financial Officer of the Council

Tel: 01303 266152 or email [Clerk@hythe-tc.gov.uk](mailto:Clerk@hythe-tc.gov.uk) prior to the meeting.