



LONDON FIRE BRIGADE

Report Title:

Procurement of Cyber Defence System

Report to:

Date:

Finance and Investment Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board
London Fire Commissioner

23 June 2022
6 July 2022
31 August 2022

Report author:

Julian Martin

Name:

Chief Information Officer

Report classification:

For Decision

The subject matter for this report deals with the following LFB strategic priorities:

Delivering excellence

Report number – LFC-0727y

For Publication

I agree the recommended decision below.

Andy Roe
London Fire Commissioner

This decision was remotely
Date signed on 08 December 2022

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER

Executive Summary

The LFC has an existing contract, awarded in 2019, for the provision of a cyber-defence system that comes to an end in July 2023. The existing contract forms part of a set of multi-layered security defences. These defences have ensured that LFC systems are (as far as possible) protected from the impacts of cyber-attack, which can lead to wide-spread business disruption and impact upon LFC front-line operations.

This report seeks authority for the necessary expenditure to procure a cyber-defence system, to ensure that LFC systems continue to be protected from cyber-attack and for such a system to be implemented in a timescale to ensure that the LFC cyber-defences are continually available.

Recommended decision

For the London Fire Commissioner

The London Fire Commissioner delegates authority to the Assistant Director Technical and Commercial to procure a cyber-defence system, up to the value contained in part 2 of this report plus annual inflation increases, for a period of up to five years.

1. Introduction and Background

- 1.1. In recent years the security threat posed to organisations around the globe from cyber-attacks, malware and associated threats, has increased significantly.
- 1.2. Coming to prominence in 2017 the "WannaCry" ransomware attacks infected over 200,000 computers in less than 48 hours. WannaCry rendered useless some of the computers that help run Britain's National Health Service (NHS), causing ambulances to be diverted and shutting down non-emergency services. Since then, there have been numerous well publicised examples of cyber-attacks impacting both the public and private sector.
- 1.3. In response to the ever-increasing threat posed by cyber-attack, the LFC procured a cyber-defence" system in 2019 , to assist with protecting LFC systems. The system specification was carefully constructed so that as far as possible the system would operate autonomously (once installed and configured), utilising artificial-intelligence (AI) and machine learning capabilities, in order to respond to and naturalise threats.

- 1.4. Whilst the LFC had multi-layered defence systems already in place such as anti-virus scanning, web-filtering and a strategy to implement security patches regularly, a cyber-defence system was considered an essential part of a multi-layered security defence and this remains the case today.
- 1.5. Information received from central government and other trusted sources has highlighted an increased threat of cyber-attacks, relating to the invasion of Ukraine. Whilst there has been no specific threat to the Brigade, it is essential that we maximise our defences in this area, particularly as a UK Fire & Rescue service was recently infected with Ransomware.
- 1.6. In July 2023 the four-year contract for use of the current system comes to an end. This paper proposes procuring a cyber-defence system, to ensure that the LFC continues to benefit from appropriate cyber protection.

2. Objectives and Expected Outcomes

- 1.2. The objective of this paper is to secure approval for the procurement of a new cyber-defence System, for a period of up to five years (three years with an option to extend by two years).
- 1.3. The failure to procure a new cyber-defence system will expose LFC systems to the risk of potential attack (directly or in-directly) from hostile external agencies or individuals, which if successful could seriously disrupt the front-line activities of the Brigade.
- 1.4. The provision of a cyber-defence system is a current active control to a specific risk set out in the ICT risk register – **"A security incident compromises LFBs ICT infrastructure and/or confidentiality. Integrity and/or availability"**.
- 1.5. As the LFC has now deployed the Microsoft 365 system to all staff, the cyber-defence system specification will now include a requirement to extend autonomous cyber protection to this environment. The cost of this additional protection has been estimated and set out in part 2 of this report and the additional funding to facilitate this requirement will be the subject of a budget growth bid in the 2023/24 budget process.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due

regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.

- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
 - promote understanding.
- 3.8 An Equality Impact Assessment has not been carried out in respect to the procurement of a cyber-defence system. Any cyber-defence system will operate autonomously in the background and users will not have any interaction with the product.

4. Other Considerations

Workforce comments

- 4.1 The impact on LFB users of technology and information is referenced in the strategy. There is no plan to undertake workforce consultation on the Strategy itself.

Sustainability comments

- 4.2 There are no specific sustainable development implications arising from the procurement of the cyber defence system.

Procurement comments

- 4.3 Various routes to market have been considered and it has been decided that this procurement will be carried out using the Pan London Information and Communications Technology (ICT) Framework. Legal advice has been sought on this course of action previously to ensure compliance with the relevant Procurement Regulations.
- 4.5 Collaboration with the GLA is being investigated however we have not received any response as yet. When this was explored prior to the previous procurement there were no collaborative opportunities available due to differing deployment models being used.

5. Financial comments

- 5.1 Finance comments has been incorporated in Part 2 report.

6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the LFC is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the Deputy Mayor).
- 6.3 Paragraph (b) of Part 2 of the said direction requires the LFC to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...". The Deputy Mayor's approval is accordingly required for the LFC to expend the sums set out in part 2 of this report.
- 6.5 The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Under section 7 (2)(a) FRSA 2004, the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting; and section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 6.6 This report confirms this procurement will be carried out utilising the Pan London ICT Framework. This procurement will be carried out in compliance with the Procurement Regulations and the Commissioners standing orders on procurement.

List of Appendices

Appendix	Title	Open or confidential
	None	

PART 2 – CONFIDENTIAL FACTS AND ADVICE

LFC Number 0727y

Title: Procurement of a cyber defence system

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Governance Team for advice.

This information is not for publication because:

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the London Fire Commissioner (LFC).

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: 31 July 2023

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part 2 and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the "Act"), it is considered that access can be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

Public Interest Assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred for the purchasing of new software licenses.

The eligibility of these exemptions should be reassessed in the event of a request under the Act for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favour of non-disclosure.

Legal Adviser - I make the above recommendations that this information should be considered confidential at this time

Name: Tom Davies

Date:15/06/2022

Confidential decision and/or advice:

Introduction and background

This report recommends that the Deputy Mayor for Fire and Resilience authorises the LFC to commit to revenue expenditure of up to £160,000 per year for up to five years, totalling £800,000, plus annual inflation increases for the provision of a cyber defence system. This figure is based upon the current systems costs and the expected £200,000 cost (over five years) of adding cyber protection to the London Fire Brigade's (LFB's) Microsoft 365 environment.

The £800,000 figure above also includes the cost of extending the cyber protection to the Microsoft 365 environment. This has been estimated to be £40,000 per annum, or £200,000 over the life of the contract (up to five years).

Financial comments

This report recommends that revenue expenditure of up to £800,000 is agreed over five years (i.e. £160,000 per annum), plus annual inflation, for the purpose of procuring, installing and maintaining a cyber-defence system for a period of up to five years. The new contract will commence in the 2023/24 financial year.

The annual budget for this service is £120,000, which is £40,000 less than the cost of the contract. This additional annual pressure has been considered as part of the budget process for 2023/24 and will be included in the LFC's November Budget Submission to the Mayor. Should the additional £40,000 in funding not be agreed, the Microsoft 356 environment will not benefit from being covered by the cyber defence product, which in turn will raise the risk of a cyber related incident impacting on some or all LFC systems.

With regard to non-pay inflation: all LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for non-pay inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process for 2023/24. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve. The Budget Flexibility Reserve has a forecast balance of £27,300,000 as at the end of the 2022/23 financial year.

Legal Comments

Please see Part 1 for legal comments.

Confidential Appendices and supporting papers: None

