Information Management Solutions (IMS)

Information Systems Strategy
**Document Overview**

This document defines the HMRC Information Systems Strategy (IS). It expresses the key ways in which IMS plan to support the delivery of the Business Strategy.

This IS Strategy supports the IMS Strategic Framework and is complementary to the HMRC Information Technology Strategy.

It is reviewed annually.

**Document Audience**

This document is designed to describe the HMRC IS Strategy to HMRC Business Directors and IMS Senior Managers.

It should also be read by all IMS staff, and may be of interest to a wider audience including readers outside the Department.
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IMS’ mission is: “...to drive massively more efficient and effective processes and systems for our Customers...”

How we will do this, and the steps IMS is taking to become a provider of World Class IT services, is set out in our Strategic Framework which provides the overarching vision for the future and has been developed to support HMRC’s business strategy.

One of the key strategies within our Framework is our Information Systems (IS) strategy. This strategy identifies the key strategic principles by which HMRC will gather, process, store, use and disseminate information using technology. Each IS Service provided within HMRC will be understood by the business owners and measured in a way that is meaningful to them, and requirements for change will be set by the business, ensuring that:

- HMRC is provided with world class Information Systems capabilities e.g. business process analysis, innovation, technical project and programme design and delivery, live services operation and management, technical supply and supplier management.
- HMRC’s systems are fit for purpose e.g. functional, secure, reliable, and adaptable and meet diversity requirements.
- IMS delivers the services HMRC requires of it e.g. highly available, cost effective, quick to deliver, easy to adapt and responsive to customers needs.

This Strategy identifies twelve key elements of IS provision, as shown in Diagram 1.

This strategy outlines the strategic principles and initiatives for each element. Application of these principles will allow IMS to deliver and manage the Information Systems the Department needs and provide the level of service agreed with our customers.
1. Customer Focus

HMRC is committed to helping make it as easy as possible for its customers to pay what they owe and claim what they are due. IMS, through its delivery of World Class IT services, has a key role in supporting the business deliver this ambition.

IMS Business Solutions owns the primary relationship between HMRC business, IMS and our IT Suppliers. The key role is to work with the business understanding their objectives, their challenges, supporting the business in articulating business capability required, identifying high level solutions, identifying opportunities for business process improvements and in doing so become their trusted advisors.

Strategic Principles and Initiatives:

- When designing systems and services, we will set out to understand not only customers functional requirements but also how they work – usability and accessibility will be the design parameters

- An IMS Service Catalogue, developed in consultation with the business, sets out the IS services provided by and through IMS, with each service being expressed in terms of Service Level Agreements. The business will understand what they are, how they are measured, how and when to access them and how much they cost

- A healthy supply / demand tension should exist within HMRC and is managed by IMS Business Solutions, - with non-strategic and low value ideas being filtered out through the application of the Governance Model – HMRC Programme Governance Framework (HPGF)

- IS provision will follow HMRC’s policy on diversity. We will actively take steps to understand the various communities we serve and ensure that we treat all fairly. Ideally we will ensure all our systems and services are equally accessible. Where this cannot be achieved, we will put into place reasonable adjustments.

- The business and IMS must work together to encourage innovation if IMS is to drive massively more efficient and effective processes and systems for its customers. Opportunities to leverage IT through existing and newly delivered systems will be explored through the Innovation Centre and through IMS’ Technology Exploitation and Practical Proving capabilities

- IMS must build trust and respect with its customers through good communication of progress, problems and successes. Communication will be through the relationships developed between Business Solutions and the business and also through formal fora such as Departmental Committees and Programme Boards, and reporting machinery such as the balanced scorecard

- We continue to work with our IT partners to ensure our systems are functional, adaptable, resilient and usable.
2. Direction

Information Systems are critical to HMRC – the majority of HMRC’s business objectives are dependent on their successful delivery and operation. Demands on IS will remain intense. Effective strategic management is vital.

Strategic Principles and Initiatives:

- All IS Policy and Management are the responsibility of the Chief Information Officer (CIO), who is a senior HMRC Board member
- IS provision in HMRC will be aligned to, and will support, business direction and will be World Class – i.e. functional, reliable, re-usable, adaptable and value for money.

We will:

- Understand what our customers value
- Define and deliver services that they will pay for
- Communicate effectively with the business and suppliers
- Measure what we do and be results driven
- Have the right capability to support the business

- IMS will be the sole supplier of IS services to HMRC – implementing the Intelligent Buyer / Intelligent Supplier (IBIS) and IMS Lite models will ensure that clear roles and responsibilities are agreed between IMS, its sourcing partners and the business

- We will constantly innovate, adapt and change in order to add value for our customers - continuous improvement will be business focussed and based on an informed view of results, changing business needs and changing environment.

- We will support the CIO and CTO Councils in:
  - Developing cross-department, standardised solutions to common problems
  - Improving performance of IT resources and technology to promote business change across government
  - Working with other departments to deliver a programme of technological development and standards that support the delivery of the Transformational Government Implementation plan
  - Developing shared services across Government
3. Governance

HMRC’s IS needs are demanding and complex. To deliver maximum and long lasting value, effective investment and capacity management is vital.

Strategic Principles and Initiatives:

- ExCom have set out HMRC’s Business Strategy and Vision, its Public Service Agreements and Departmental Strategic Objectives, priorities and broad investment approach

- The Change and Capability Directorate will set out HMRC’s high level Business Architecture described in the HMRC Strategic Framework

- All IT development will follow HMRC’s Enterprise Architecture, which will be aligned to the Business Architecture

- All major change will be delivered through Departmental Programmes

- The Departmental Transformation Programme (DTP) will ensure that all programmes remain aligned to HMRC’s Business Strategy, Vision, Five Year Ambition, Architecture and priorities and follow its investment approach

- Programmes will follow HPGF – this is based on the Office of Government Commerce’s Gateway model and incorporates the IMS/Aspire Governance Model

- IS Delivery and Management will adopt appropriate international standards e.g. the Office of Government Commerce IT Infrastructure Library (ITIL)
4. Architecture

HMRC must change how it delivers IS to meet business needs. HMRC will take an architectural approach using industry standards to deliver reliable, re-usable, generic, secure services.

HMRC own an array of legacy systems many of which were designed to meet narrowly focused business requirements. The increasing cost of maintaining this estate, with its focus on supporting individual Head of Duty services, will restrict new development and will become unsupportable. Refocusing the Enterprise Architecture onto generic services will deliver more efficient services at lower cost.

Strategic Principles and Initiatives:

- HMRC will own, develop and adhere to an HMRC-wide service orientated architecture, the guiding principles of which are set out in the Department’s IT Strategy and include:
  - Reuse before Buy before Build
  - Build once for Government
  - Pursue partnerships in service provision
  - Use proven technologies
  - Data will be reliable, accurate and consistent within and across systems
  - Mobility, Accessibility and Security requirements
  - Disaster Recovery requirements

- IMS Solutions Architecture working with our IT suppliers, and consulting and involving customers as appropriate, have accountability for selecting IT products and services

- Governance procedures will enforce adherence to the Architecture as the expectation for all developments including tactical solutions. Potential variances will be identified at an early stage and rationale / permission to proceed required

- ‘Commercial Off The Shelf’ (COTS) delivery will be the norm i.e. where we adapt our business processes to the industry standards provided by our selected products. Governance investment criteria will show where bespoke development is necessary e.g. to deliver functionality not available in COTS packages

- The Architectural approach will reduce development and running costs, reduce delivery time and improve reliability, adaptability and re-usability

- No change should increase the net complexity of the estate; if a new system is introduced any systems it succeeds should be decommissioned and the costs of this included in the business case for the new system
5. Core Strategic Development areas

For HMRC to meet its business needs, a number of key business services / systems have to be developed through the Department’s programmes and must support its Five Year Ambition. In addition, HMRC requires world class day to day operations and effective problem management to support these.

Strategic Principles and Initiatives:

- Key business services/systems required include:
  - **HMRC Channel Strategy Support**, enabling our customers to use their channel of choice but encouraging the use of on-line services, as these are our lowest cost channel, by designing easy to use on line products
  - **Integrated Customer Management/Single Account**, improving customer service
  - **Risk and Work Management Systems**, effectively directing resources to the areas of greatest need and reducing the burden on compliant customers
  - **Automated Processing**, lowering staff costs and improving service speed / quality
  - **Remote, Mobile and Collaborative Working Support**, increasing HMRC flexibility and reducing reliance on our fixed estate
  - **Interactive Customer Support** e.g. on-line guidance
  - **Enterprise Infrastructure Foundation** as an enabler for the Infrastructure Management Services described in the next section

- System design will be customer-focussed supporting, where business requirements specify, channel independence and services tailored to customer segments

- All developments will take into account all appropriate underlying business principles e.g. reduce paper transactions, increase data quality, increasing the take up of our on line services

- Systems will adopt Build-to-Run principles that make them highly available, quick to deliver, responsive to change requirements and rapidly recoverable

- Customers with system problems will know where and how to get support. The unified problem and complaints management and resolution procedures will enable IMS to provide proactive fault management, trend analysis and continuous improvement
6. Infrastructure Management

HMRC can no longer think of infrastructure as belonging to a specific system or something procured for a single project. In the architectural approach, it is managed as a shared resource and provided as a service to customers.

Strategic Principles and Initiatives:

- HMRC will rationalise its server estate, concentrating data storage in Strategic Data Centres as set out in the IT Strategy

- An IMS Service Catalogue will be provided with each service being expressed in terms of Service Level Agreements (SLAs) (e.g. set tiered storage levels from fast / expensive to long term / cheap; standard archiving and data recovery / disaster recovery options) - the business will be engaged in identifying the requirements

- Providing infrastructure as a shared service will allow capacity to be moved when and where required hence improving reliability, performance and flexibility whilst lowering cost

- Accurate forecasting will allow new capacity to be provided quickly, shortening development time and projects
7. Information Management

HMRC’s systems can only be as good as the information they hold. HMRC’s Information (defined here as ‘data plus its metadata’) is a valuable asset and must be managed as such. It includes information held in structured form (e.g. databases), unstructured (e.g. text) and summary (e.g. some MIS).

Strategic Principles and Initiatives:

- KAI lead for HMRC on information-related policies (e.g. ownership, retention) and own the Departmental Data and Information Strategy. KAI work with other areas responsible for specialist elements (e.g. Central Policy for Information Law)

- KAI’s Data Management function leads on designing and implementing information management processes (e.g. defining ownership roles, ensuring data has owners, ensuring information lifecycles and value chains are defined).

- A key HMRC objective is for us to clean our data and design our business processes to ensure that it is kept clean. Within their Data Management function, KAI work with Data Owners to ensure the on-going cleansing of data, ensure that audits are conducted as required, prepare data for analysis etc.

- HMRC is working across Government on Information Assurance issues – the head of IMS Solutions Architecture is the Department’s Senior Information Risk Officer

- IMS Solutions Architecture have responsibility for designing the Enterprise Architecture needed to hold a Data Architecture - these models will be populated largely by staff working on the transformation programmes, with KAI leading on standards (e.g. naming conventions), and will be maintained by Solutions Architecture

- Similarly, HMRC will be working where appropriate to adopt common standards e.g. to ensure effective and efficient interoperability of Government systems and sharing of data when required.
8. Security Management

Data and system security is essential to HMRC, not simply because of the legal obligations we work to but because trust underpins the relationship between the Department and its customers.

Strategic Principles and Initiatives:
- The HMRC Departmental Security and Business Continuity Unit sets HMRC security policy.
- IMS sets Acceptable Use policies. These cover the use of IT and telephony equipment and services.
- Customer Units set policy for Special Customer Records.
- Security is a specific element of HMRC’s Enterprise Architecture and a design consideration in all system designs.
- A new approach to the Department’s Confidential Infrastructure is being taken, taking into account new cross-Government thinking.
- Our IT suppliers are responsible for monitoring and notifying of attacks on Departmental systems aimed at weakening, breaching or by-passing security controls.
- We will continue to need to balance security against changing customer expectations using a risk-based approach.
- We will adhere to Internal Audit and Security and Business Continuity policies as well as Freedom of Information and Data Protection requirements.
9. Supplier Engagement

To deliver HMRC’s IS needs, the Department forms strategic alliances with suppliers from the IT services industry. Capgemini is HMRC’s main strategic partner. Through the Aspire Contract Ecosystem, the Department gains access to the expertise of suppliers in the wider marketplace. We also contract with other suppliers on an as needs basis given the non-exclusive nature of our arrangements with our principal partner.

Being able to deal with suppliers with professionalism, clarity and a value for money focus is critical to the successful delivery of IT solutions and services.

Strategic Principles and Initiatives:

- IMS to work with suppliers within our Intelligent Buyer/Intelligent Supplier (IBIS) framework to improve co-operation, productivity and clarity of roles

- The IMS Lite model clarifies responsibilities so that the proper risk is transferred to Aspire whilst HMRC staff, both business and IMS, concentrate on those core activities that remain our responsibility. Appropriate retained functions include: IT Leadership, Architectural development, Business enhancement, Technology advancement and Supplier management. The risk transferred to Aspire will be clearly understood and will be meaningful in practice.

- Aspires Ecosystem has a key thought-leadership role, bringing an understanding of IT industry developments and market direction as well as innovative practices, tools and techniques to HMRC

- It is essential that HMRC’s alliance with Aspire is a win-win relationship. Whilst there must be tangible reparation for non-delivery, there must also be adequate reward for success.

- It is vital for IMS to maintain an excellent working relationship based on partnership and value for money with suppliers, and to promote positive relations with the IT services industry.
10. Contract Management

The Aspire contract is the Department’s primary means of externally sourcing IT services and solutions. There are numerous other commercial arrangements that we have in place directly with IT suppliers outside of the Aspire contract and government-wide framework arrangements we can use to procure additional services.

It is essential that HMRC demonstrably receives value for money from all of these arrangements and that we are capable of determining the best option for sourcing new provision.

Strategic Principles and Initiatives:

IMS Sourcing & Contracts owns and maintains the IT Sourcing Strategy in commercial confidence on behalf of the CIO. This strategy details IMS’ current positioning on:

- The blend of in-house and externally sourced IT services and functions IMS aims to have
- The nature of the outsource arrangements IMS wishes to establish with supplier partners
- The level of competitive tension IMS wishes to assert between suppliers supporting Departmental IT needs
- The level of risk IMS is prepared to bear in the delivery and running of the Department’s technology solutions and services
11. Financial Management

Transparency is a key element of the IMS road to World Class. Customers should be aware of the cost of the IT services they are using, in order to help them make informed and corporate decisions about options and priorities. In addition, HMRC has savings targets to achieve for its IS estate and productivity targets for its IS development and operations.

Strategic Principles and Initiatives:

- IMS will be the ultimate controller of IT funds. HMRC business units will only procure IT through IMS. Where, exceptionally, external funding is supplied for specific programmes and is deemed ring fenced, this will still be subject to appropriate approval and audit processes

- The DTP will ensure that programmes align to HMRC strategic spending priorities. Approval to spend within a programme is given through HPGF

- Service Based Charging has been introduced in HMRC with Business Units being ‘soft charged’ for the services they receive

- Financial and FTE management within IMS is closely managed and incorporated into our business balanced scorecard
12. People

People assure reliable operation of our Live Services and deliver change. Within IS, there are defined in-house roles and the experience and expertise of our staff has a direct bearing on the quality of HMRC’s deliverables.

Strategic Principles and Initiatives:

- The IMS HR Strategy sets out the key behaviours and competencies our IS staff need, and how these will be developed.
  
  **Key Behaviours**
  - Working autonomously within a framework
  - Bias for action
  - Hands on, value driven
  - Client focussed, learning from our customers
  - Knowing our personal role

- The High Performing Team initiative develop IMS management and leadership skills - IMS Managers will set out to create an environment in which talent is fostered, innovation is encouraged and individuals are empowered and IMS is an organisation which people want to join

- The Government’s IT Professional Skills Programme (ITPS) has been adopted and is mandatory for all IMS staff. ITPS will support staff in acquiring the technical skills required in their current roles and for their future career development

- The Intelligent Buyer / Intelligent Supplier and IMS Lite Models define the roles, accountability and responsibility of IMS, Aspire and the business

- Communication underpins staff development – the IMS Communications Strategy sets out how staff are kept informed of developments within IMS
The major features of the IS strategy are shown in the timeline below. This reflects the changes in services as the Department implements the IT and Business Strategies. The evolution of IT capability and development of new business processes allows the transformation from silo-based systems to provision of Government wide information services.

### IS Strategy Timeline

<table>
<thead>
<tr>
<th>Near Term</th>
<th>Mid Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Today</strong></td>
<td><strong>Five Year Ambition / 2011</strong></td>
<td><strong>2015</strong></td>
</tr>
<tr>
<td>Shared Services</td>
<td>Journey to World Class</td>
<td>Move to agree cross Govt programmes, procedures and architecture</td>
</tr>
<tr>
<td><strong>IBiS / IS Lite / HPGF in place</strong></td>
<td><strong>Use of IMS Service Catalogue / Balanced Scorecard</strong></td>
<td><strong>Implementation of 5YA, with DTP periodically adjusting scope as business drivers change</strong></td>
</tr>
<tr>
<td><strong>DTP set up</strong></td>
<td><strong>Innovation Centre / Practical Proving accelerate Innovation</strong></td>
<td><strong>Data Strategy / Data Management Function implemented</strong></td>
</tr>
<tr>
<td><strong>Soft Charging in place</strong></td>
<td><strong>Architectural Alignment Models created and maintained</strong></td>
<td><strong>Implementation of remaining 2015 vision</strong></td>
</tr>
<tr>
<td><strong>HPT and IT Professional Skills in place</strong></td>
<td><strong>Reduction in number of legacy systems and server estate</strong></td>
<td><strong>Increasing use of shared services and data within HMRC</strong></td>
</tr>
<tr>
<td><strong>Reduction in paper transactions, manual processes and silo approach</strong></td>
<td><strong>Introduction of tiered storage, standardised archive regimes, flexible capacity management etc</strong></td>
<td><strong>Increasing use of vanilla processes, multiple channels, automation and flexible working</strong></td>
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14. IS Strategy - QA Criteria

The success of the IS Strategy implementation is validated with reference to the following benchmark criteria.

**Gartner criteria for Government IT Strategic Plans** - The IS Strategy should:
- Substantiate mutually owned expectations developed by all stakeholders
- Account for all critical drivers influencing the direction of the IS Strategy
- Make the investment direction and alignment with business/mission needs and priorities explicitly clear
- Be client-centric
- Outline the governance process to execute the strategic planning process and approved IT investment decisions
- Contain performance measures that can gauge progress and success

**Performance Measures for Determining Progress and Success:**
- IMS Service Catalogue in place and operational with meaningful measures provided to customers, good communications in place (eg through the use of the balanced scorecard) and good service reflected in results from Customer Satisfaction Survey
- HPGF operational – all major change authorised by ExCom and overseen by DTP – all IMS expenditure directed to HMRC priorities – IS required by HMRC to meet its objectives delivered to time, quality and budget
- IBIS and IMS Lite implemented – IMS staff actively engaged in Government's IT Professional Skills initiative
- Enterprise Architecture in place and aligned to Business Architecture – architectural approach embedded in projects – HMRC taking a strategic (as opposed to tactical) approach to programme design
- Multiple, high value solutions put forward by Innovation Centre/Technology Exploitation/Practical Proving and successfully implemented
- IS estate reduced – legacy systems replaced by fewer, more flexible shared services – use of Commercial Off The Shelf implementations as the norm – infrastructure provided as a shared service
- HMRC data is secure, shareable, cleansed following successful implementation of Data and Information Strategy/KAI Data Management Function
- HMRC actively participating in the Transformational Government Agenda
- IMS staff achieve ‘Trusted Advisor’ status with their principal customers