

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer – People & Technology****Corporate Services Committee: 7th February 2024**

Subject: People & Technology Spend 2024-25**1. Purpose**

- 1.1** To provide the Committee with a detailed breakdown of the planned People & Technology (P&T) spend for both capital and revenue new and existing contracts valued above £10,000 and seek approval to procure and contract for the required goods and services.

2. Recommendations

- 2.1** The Committee is asked to:

- 2.1.1** note the revenue and capital spend detail included in this report;
- 2.1.2** note the projects to deliver this spend will be included in the 2024-25 People and Technology Delivery Plan currently in development and to be reported to a future meeting of this committee;
- 2.1.3** approve the procurement and award of by the Chief Officer – People & Technology in consultation with the Procurement Manager of all contracts valued at £213,477 (VAT inclusive) above subject to the cost being within the approved budget and the tender being in line with normal tender parameters.
- 2.1.4** note, that where the contract award is less than £213,477 (VAT inclusive), authority is delegated to the Chief Officer – People and Technology in consultation with the Procurement Manager to instruct the award of contracts for the planned revenue and capital spend detailed in this report to suppliers providing the most economically advantageous offer to the Council;
- 2.1.5** approve the revenue spend included in this report including approval to explore and secure multi-year contracts, contracts using framework agreements and/or contracts using dynamic purchasing systems beyond the term of approved budgets where efficiencies and savings can be achieved;
- 2.1.6** approve the projects specified in Section 3 of this report; and
- 2.1.7** note that where the value of the contract is £213,477 (VAT inclusive) and above, in the event of the financial or other terms of a tender falling out-with delegated powers, the relevant Chief Officer will submit a report to either Council, Corporate Services or the Tendering Committee.

3. Background

Revenue

- 3.1** The Council has an annual revenue spend of approximately £2,900,000 that covers a range of ICT goods and services, for example corporate and service applications, telephony lines and licences, network connectivity as well as security and application licences. Appendix 1 details estimated spend over £10,000 per managed system/technology.
- 3.2** The ICT team consults annually with the Corporate Procurement Unit to refine contract strategies. The breakdown includes:
 - 3.2.1** Corporate business applications for the management of processes such as Finance, Housing, Performance and Purchasing. Although the annual maintenance budget for these systems is held by P&T (ICT section), the responsibility for the systems and associated contracting lies with the system owners within each service area. The system owners are responsible for granting system access and permissions, data management and security compliance, coordinating upgrades, verifying license and budget requirements, and ensuring the systems continue to meet service strategy and future requirements. ICT assist with licence verification and conduct annual exercises with service areas to verify application use, licences volumes and type and to identify where there are opportunities to reduce costs.
 - 3.2.2** Infrastructure hardware commodity includes servers, switches, wireless access points, security infrastructure, cabling, telephony infrastructure, storage and multi-function printers and scanners.
 - 3.2.3** Education curriculum software commodity is the responsibility of Education, Learning & Attainment with support from the ICT team. The software may be subject, sector or establishment based.
 - 3.2.4** The end user hardware commodity includes all PCs, laptops, mobile phones, tablets, and Chromebooks across the Council.
 - 3.2.5** The Corporate licenses commodity includes software products such as Adobe and Microsoft, security technologies for scanning, protection, and encryption, as well as device, application, and policy management technologies. The technology is managed by the ICT team on behalf of the Council however licenses can also be purchased by service areas.
 - 3.2.6** Network commodity includes telephony, CCTV, and network lines. Responsibility for this commodity is dispersed across Council services.
- 3.3** As outlined above, the budget and contracting responsibility for commodities such as curriculum software, telephony, CCTV, and end user device

purchasing are service led.

- 3.4** While many of the annual maintenance and license payments and arrangements have been in place for several years, the category management approach to procurement continues to provide the opportunity to examine spend to deliver improved and/or collaborative approaches. The aim is to secure improved contracts and deliver cashable and non-cashable benefits as well as improved supplier management practices and monitoring.
- 3.5** The council issued a new tender under the Multi-Function Device (MFD) national framework contract; however, it was withdrawn due to the high volume of supplier queries seeking clarification of the specification. The tender is currently being reviewed with the aim of re-issuing in February 2024. During this period, we have extended the current contract to ensure printing services are not impacted. A further extension (or part thereof) is likely to be required during 2024-25 to allow time for evaluation, committee approval and implementation of the replacement contract.
- 3.6** In relation to the disposal of obsolete equipment, the Council has an out of contract arrangement where the supplier collects and disposes of equipment in line with The Waste Electrical and Electronic Equipment Regulations (WEEE) free of charge. ICT are currently engaging the framework market to award contract for the disposal service. Part of the contract aim is to secure income from all equipment disposals and this requirement will be included in the contract specification, albeit subject to market testing.
- 3.7** Based on experience the requirements listed below tend to be purchased as cloud services and require additional revenue funding which, consequently, are included in ICT burdens. We will continually assess and upgrade our ICT infrastructure to support the growing demands of the organisation and explore cloud computing options for increased scalability, resilience, flexibility, cost-effectiveness, to identify any savings opportunities and to maximise our current investment.

 - 3.7.1** WDC continue to work in collaboration with the National Digital Office with the option to take part in a joint procurement for a Security Operation Centre (SOC) solution. The initial requirements have been agreed and the national procurement exercise has been delayed pending further review and will be progressed during 2024/25.
 - 3.7.2** The council has routinely invested in Cyber Security technologies and resources to ensure our security posture is robust and fit for purpose. Any technology improvements will be procured through national frameworks and approval sought via appropriate committees.
 - 3.7.3** As part of our continuous service improvements and to help sustain hybrid working and provide secure remote access, we have procured a new solution that will deliver enhanced security and a consistent remote

experience for employees regardless of location. This project commenced in January 2024 and will continue during 2024/25.

- 3.7.4** We have reviewed and finalised the options to improve access to desktop business applications for council employees and partners. The review will enhance the digital workplace experience for employees and maximise our existing investment in M365. Part of the review is to replace our current virtual application delivery solution with the latest version of MS office suite on all corporate laptops, this will enable full office integration with 365 cloud applications i.e., MS Teams. This project began in November 2023 and will continue during 2024/25.
- 3.7.5** Our redesign of remote access and desktop application solutions outlined in 3.7.3 and 3.7.4 has delivered significant annual revenue savings for the council, and these technological savings will contribute to the budget gap for 2024/25 and beyond.

Capital

- 3.8** The Council concluded the award of the Scottish Wide Area Network (SWAN 2.0) Framework contract for BT communications plc to provide Managed Wide Area Network Services for the council. As a SWAN member, the Council are contributing to the overall procurement and contract management costs, and these are included in the ICT capital plan projects. The November 2023 tendering committee approved the capital spend required for the transition to the new SWAN 2.0 network and this spend is outlined in the associated background papers. This project will provide fit for future bandwidth capacity at all council sites.
- 3.9** The Council continues to make a substantial commitment to improving and securing the ICT infrastructure and processes to support and innovate service delivery transformation through capital investment.
- 3.10** Table 1 below is an excerpt from the Capital plan as agreed by Council in March 2023 and includes the following recurring capital budget for ICT:

Table 1 – Existing Agreed ICT 1-Year Capital Plan

| Capital allocation | 2023/24 |
|--|-------------------|
| ICT Security & Resilience Inc. Education Software Licensing Refresh | £729,000 |
| ICT Modernisation | £857,000 |
| 365 Implementation | £160,000 |
| Total | £1,407,000 |

- 3.11** The scope for each project will include some flexibility, allowing for spend on smaller value works via the appropriate procurement route. Where possible and where opportunities arise, officers aim to secure match funding from

external sources i.e., Microsoft funding to assist with implementation of SharePoint. The investment projects for capital spend are detailed in table 2 below. ICT will consult with Procurement to ensure the correct procurement route is used for each spend project.

- 3.12** Some of the ICT capital spend may have a revenue implication and this will be managed through future revenue planning and based on the actual spend.

Table 2 – Proposed Projects ICT Capital Spend 2024-25

| Description | Capital (Est) |
|--|----------------------|
| ICT Security & DR, Resilience | £504,000 |
| 1. Future of SWAN Contract (Shared Service cost) | £50,000 |
| 2. SWAN 2.0 Implementation | £200,000 |
| 3. Replace Ageing Infrastructure Hardware | £40,000 |
| 4. Security Compliance remediation | £70,000 |
| 5. Security Resourcing - multi-year consultancy services | £30,000 |
| 6. Internal ICT resource recharges | £84,000 |
| 7. Education software refresh | £30,000 |
| ICT Modernisation | £551,000 |
| 1. Device replacement: | £428,000 |
| a. Chromebooks | £46,000 |
| b. PCs | £176,500 |
| c. Mobile Phones | £6,500 |
| d. Laptops | £199,000 |
| 1. Resources to Support a range of corporate projects. | £123,000 |
| Office 365 Implementation | £240,000 |
| 1. Resourcing | £170,000 |
| 2. Securing and implementing SharePoint | £70,000 |
| Total | £1,295,000 |

- 3.17** Device replacement: ICT will undertake the annual device replacement project for all PCs, laptops, Chromebooks, and mobile phones that are reaching end of life and or 5-year refresh point as per the ICT Strategy 2023-28. These items are purchased from nationally agreed frameworks and the overall spend is detailed in Table 2.

- 3.18** Server and Firewall Hardware Replacement: ICT have undertaken a server and firewall replacement project during 2023/24 to refresh ageing hardware to ensure it is up to date, secure, and remains in line with technological advances. This project will continue during 2024/25 and hardware is

purchased via nationally agreed frameworks with the overall spend detailed in Table 2.

- 3.19** SharePoint: The council has invested heavily in Microsoft 365 cloud services and have made significant progress on associated projects throughout 2023/24. The main deliverable in Phase 2 of the project is to implement SharePoint to replace our long-standing use of on-premises file storage used for managing council files and folders. The project is currently at planning stage and will progress throughout 2024/25 alongside supplier delivery via national frameworks. Capital spend for project implementation encompasses supplier delivery, software purchase and resourcing for project management and support.

4. Main Issues

Procurement

- 4.1** Consideration will be given to multi-year contracts, and contracts using framework agreements and/or contracts using dynamic purchasing systems where recurring capital / revenue has been approved and where this would deliver efficiencies. Where recurring revenue is approved on a yearly basis, consideration will be given to multi-year contracts, and contracts using framework agreements or contracts using dynamic purchasing systems. The authority sought in Paragraph 2.1, to include the option to enter such multi-year contracts beyond the second year for those items listed in Section 3 and the appendix to this report.
- 4.2** The contract strategies for each of the revenue and capital projects will continue to be developed on a project-by-project basis and will include consideration of market testing existing collaborative framework or collaborative purchasing system, running mini competitions, direct awards as well as full tender processes.
- 4.3** The tendering and contracting process will continue to identify potential future revenue implications for new contracts. Where required these will be included as savings/burdens in future ICT revenue budget estimates considering current revenue spend to offset the budgetary impact.

Increased Demand for Technology to Improve Service Delivery

- 4.5** There remains rapid and significant change in this area across the public sector. We live in a digital age where demand for council services and expectations of service continue to increase at a time when the council is facing significant financial challenges with wholesale under-funding resulting in reduced capital and revenue budgets. There is increasing reliance on technology and the financial resources to deliver is included in section 3 of this report, such as:

- software licences e.g., increased cost for Microsoft licenses;
- security where emerging threats and changes in the security landscape require additional investment;
- system design improvements where increased remote access and hybrid working require additional infrastructure investment and 1:1 device ratio for corporate employees;
- mobility where additional mobile sim contracts or increased data limits are required;
- system resilience where ongoing discussions with services to review their business continuity and resilience requirements may result in increased demand in this area;
- device replacement e.g., as schools aim for a 1:1 device per pupil ratio there are now over 14,000 devices deployed in schools with further spend required;
- services exploring and implementing digital transformation; and
- new technologies e.g., the use of Automation and Artificial Intelligence.

4.6 In recent years there has been no increase in ICT employee resources to match increasing support demands, indeed the FTE has steadily reduced and was reduced further in 23/24 as part of the council budget savings exercise. A small number of short-term temporary appointments have been used and will continue in 24/25 to support specific project-related tasks, however the ratio of devices per Support Analyst will be closely monitored to ensure sustainability of current and expected service levels. We will continue to use supplier consultancy for specialist projects and upgrades.

4.7 The Council has an ambitious 5-year People First Strategy which encompasses digital, engagement, learning, development, wellbeing, and workforce planning. ICT are aligned and collaborating closely with the councils' digital team with both teams having established close links with the National Digital Office and other key stakeholders. The continued investment in technology highlighted in this report will help deliver this strategy and provide our service areas and partners with the technology and tools to digitally transform and improve service delivery to our citizens and workforce. Key areas for the coming year will be Office 365, where both teams will work jointly to support services with sound structures and best practice as they migrate to SharePoint. Following this, our Centre of Excellence will ensure, as a council, we both upskill employees and maximise the benefits 365 can bring to users, employees, processes, and teams. In addition, we will also improve how the organisation uses data, ensuring capability in this area grows and it leads to more informed decision making. Moving forward, both the Digital and ICT Teams will be working hard to create a curious culture, confident with technology with an understanding that digital skills are everyone's responsibility.

4.8 ICT licensing is increasingly being offered as cloud/hosted subscription-based licensing model and this change of delivery mechanism is likely to drive a change to the current funding profile for ICT goods and services. This change means expenditure is likely to transition away from a mixture of capital and

revenue budgets to a need for a revenue only budget. ICT will continue to collaborate with Resources colleagues to monitor this transition.

5. People Implications

- 5.1** Existing Framework Agreements or Dynamic Purchasing System will be used where they have proven to demonstrate best value and where practical.
- 5.2** The ICT team has an established review and service/improvement process to ensure resources are allocated to the highest priority work.
- 5.3** Some of the identified projects are expected to include design, implementation, skills transfer and project consultancy services, and training as specialist knowledge is required when introducing new technologies, for example, introduction of Microsoft SharePoint. ICT employees will be trained, gain experience, knowledge, and skills during these projects to ensure they can manage and develop the technologies moving forward.

6. Financial and Procurement Implications

- 6.1** Revenue budget is in place for all licenses and maintenance spend identified in the Appendix. This, plus an inflationary increase, is included within the draft revenue budget for 2024-25 (subject to Council approval in March 2024).
- 6.2** The ICT and Corporate Procurement teams engage with service areas when introducing new IT systems so that technology, procurement, and security issues can be identified during the procurement and evaluation stages and prior to contract signing. This early engagement approach also helps identify potential savings and spend opportunities so that these can be included in future budget processes.
- 6.3** The cost estimates for capital spend are based on high level research and may vary but will remain within the capital plan due for approval by Council in March 2024 as outlined in Table 2. The projects specified can be scaled up or down.
- 6.4** All procurement activity conducted by the Council for spend valued from £213,477 (VAT inclusive) is subject to contract strategy. The contract strategy shall include but not be limited to; options appraisals, contract scope, service forward plan, market condition, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and on-going contract management. Some of the options considered include for example:

Where a purchase is required, options as to type of equipment or license will be reviewed, e.g., most suitable device for a corporate versus education user. In the case of licenses, options such as, perpetual versus subscription

licensing will be considered alongside multiyear, single year, full year, or part year licenses and if there is any opportunity to reduce system or licence costs.

7. Risk Analysis

- 7.1** There is a risk that the capital project actual costs may exceed the capital project estimates as detailed in Table 2. This risk will be mitigated by a range of contract strategy options being explored as well as building scalability into the tender for example reducing the number of devices being replaced or specification of the device. Ongoing regular Budgetary Control Reporting will provide information on any significant adverse variance in cost and mitigating actions available.
- 7.2** There is a risk that ICT equipment prices continue to increase in the short to medium term due to external factors such as the global economy challenges. Any price increases will impact project spend and volume of devices able to be purchased.
- 7.3** Strategic Risks: SR04 Keeping Abreast of Developments in the Innovative Use of Technology; and SR08 Threat of Cyber Risk ensure visibility and scrutiny through Audit Committee.

8. Equalities Impact Assessment (EIA)

- 8.1** EIA 867: Our approach to supporting change and improvements, will proactively consider accessibility and usability of systems and their interaction for users. This is especially important for disabled people, but not limited to these protected characteristics. Where possible the Council will use social benefit clauses, when looking at its procurement. Where relevant we will impact assess, capital and revenue spending decisions to support best value, equalities, including the Procurement Duty of the Public Sector Equality Duty in Scotland, and Fairer Scotland Duty considerations. We will align with the Equality and Human Rights Commissions guidance in use of artificial intelligence in the public sector, and proactively consider equality implications, when supporting change and improvements.
- 8.2** The annual device replacement project will continue to include delivery of specialist IT equipment/adaptations for employees and pupils with additional needs as required. This will also apply where public access devices are being replaced. The procurement process will be conducted in line with the Council's procurement and equality guidance, and implementation planning will consider equality issues.

9. Environmental Sustainability

- 9.1** ICT is committed to sustainable technology to lessen energy consumption, carbon emissions, enhance resource management, and decrease the amount of technology waste produced. In accordance with council contract strategy

development and the Scottish Government Sustainability toolkit, the council will explore sustainability opportunities in all tenders. Contract strategies for individual projects will consider a range of sustainability issues including the environmental implications of ICT equipment and services.

10. Consultation

- 10.1** Legal, CPU, Education and the Section 95 Officer have been consulted on the content of this paper. It was not necessary to consult with our Trades Union colleagues on this report. However, the Council's digital strategy and activity is regularly discussed with the Convenors group.

11. Strategic Assessment

- 11.1** High quality ICT equipment and services contribute to the Council's 2022-27 strategic objectives to ensure our workforce is resilient and skilled where digital technology supports service delivery for our citizens; and all employees are provided with the technology needed to do their job effectively.
- 11.2** ICT is part of the People and Technology service and annual spend plans have been developed in support of the Council's core strategic ambitions across business service areas as reflected in the Council Strategic 5-year plan 2022-27 and ICT Strategy 2023-2028.
- 11.3** The planned capital spend on improved security, resilience and mobility ensures that a fit for purpose and secure ICT environment that supports all the Council service areas to deliver on their strategic objectives.
- 11.4** The ICT contracts will contribute to delivery of the Council's strategic priorities through the development of robust contract strategies which will explore the inclusion of community benefits which improve economic growth and employability. Further opportunities to maximise the positive social, economic, and environmental impact for West Dunbartonshire Council through the contracts will also be explored.

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Designation: Chief Officer - People and Technology
Date: 12th January 2024

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Appendix: ICT Estimated Revenue Spend over £10,000 per System

Background papers: ICT Strategy 2023-28
November 2023 Tendering Committee – SWAN procurement

Wards Affected: All

Appendix 1 – Estimated Annual Revenue Spend over £10,000 (based on 2023-24)

| Product | Commodity Category | Cost |
|--|---------------------------|-------------|
| Microsoft Enterprise Agreements | Corporate Licensing | £698,500 |
| Wide Area Network | Network | *£305,400 |
| Social Work Case Management & Scheduler | Business System | £130,590 |
| Education MIS | Business System | £106,220 |
| Local Area Network | Network | £94,700 |
| Virtual Business Applications | Corporate Licensing | £80,450 |
| Telephone Lines | Network | £75,000 |
| Firewall Support | Hardware Infrastructure | £75,000 |
| Revenue & Benefits | Business System | £73,100 |
| Automation Software | Business System | £70,000 |
| Cloud Backup Solution | Corporate Licensing | £64,100 |
| Server Maintenance | Hardware Infrastructure | £58,185 |
| Housing Management | Business System | £55,600 |
| Rent Arrears Management | Business System | £58,700 |
| Water Management | Business System | £46,500 |
| Library Management Software | Business System | £45,965 |
| Leisure Management | Business System | £45,300 |
| Finance Management | Business System | £45,000 |
| Job Costing | Business System | £43,500 |
| Adobe Licencing | Corporate Licencing | £39,450 |
| Network Scanning Tool | Network | £39,435 |
| Energy Management | Business System | £36,000 |
| Planning & Building Standards | Business System | £32,000 |
| Roads – Lighting, Collision, Flood Mgmt. | Business System | £27,500 |
| Local Government Digital Transformation | Corporate Licensing | £25,950 |
| Backup Management | Hardware Infrastructure | £27,635 |
| Security Filtering Management | Hardware Infrastructure | £25,700 |
| Asset Management | Business System | £24,300 |
| Corporate Arrears System | Business System | £23,400 |
| Document Management | Business System | £27,000 |
| Workforce Management | Business System | £24,000 |
| Construction Standards Management | Business System | £23,000 |
| Wireless Network | Network | £21,300 |
| Environmental Services | Business System | £23,100 |
| Service Desk | Business System | £20,100 |
| Housing Benefits and Allocations | Business System | £19,000 |
| Election Management | Business System | £18,480 |
| Data Domain Management | Hardware Infrastructure | £17,600 |
| Website Support | Business System | £15,600 |
| Education Gateway | Business System | £17,600 |

| Product (cont.) | Commodity Category | Cost |
|--------------------------------------|---------------------------|-------------|
| Education Teaching Materials | Business System | £17,600 |
| Vehicle Management System | Business System | £14,700 |
| Virtual Server Environment Support | Hardware Infrastructure | £14,200 |
| Online Forms | Business System | £15,270 |
| Business Property Rates | Business System | £12,800 |
| Device Remote Support Software | Business System | £11,660 |
| Device Security Management Antivirus | Hardware Infrastructure | £11,600 |
| Employability Case Management | Business System | £11,200 |
| Council Meetings System | Business System | £10,700 |

*Subject to contract transition timeline.