

WEST DUNBARTONSHIRE COUNCIL**Report by Chief Officer – People & Technology****Corporate Services Committee: 1 February 2023**

Subject: People & Technology Spend 2023-24**1. Purpose**

- 1.1** To provide the Committee with a detailed breakdown of the planned People & Technology 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 2023-24 People and Technology Delivery Plan currently in development and reported to a future meeting of this committee;

2.1.3 approve the procurement and award of by the Chief Officer – People and Technology in consultation with the Procurement Manager of all contracts valued at £213,477 (Vat inclusive) and above subject to the cost being within the available budget and the tender being in line with normal tender parameters;

2.1.4 note, 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 utilising framework agreements (and/or contracts utilising 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

3. BackgroundRevenue

- 3.1** The Council has an annual People & Technology revenue spend of approximately £2,800,000 covering a range of goods and services, for example corporate and service applications, telephony lines and licenses, network connectivity (wide area network, local area network, wireless network), as well as security and application licenses. The detail included in Appendix 1 of this report lists estimated spend over £10,000 per managed system/technology.
- 3.2** The ICT team is continuing to work with the Corporate Procurement Unit to refine the 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 ICT, 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 needs. ICT assist with licence verification and carry out 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, thin client devices, mobile phones 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 better contracts, and deliver cashable and non-cashable benefits as well as improved supplier management practices and monitoring.

- 3.5** The Multi-Function Device contract expired in Q1 2021-22. The contract was extended for 2 years last year as the replacement national framework agreement had been delayed due to COVID-19 pandemic. Although the tender specification has been issued with a closing date of mid-January 2023, a further extension (or part thereof) is required for 2023-24 to allow time for evaluation, committee approval and implementation of the replacement contract. The current tender includes scope to review print and scanning requirements for remote based employees compared to on-premise employees and service delivery as these differ considerably. The aim will be to ensure any new contract is based on the new business requirement. Discussions with procurement continue with a view to extending the lease on specific devices by calling off against the current Scottish Government Office Equipment framework agreement, rationalising the device lease end dates within the current extended contract.
- 3.6** The issue highlighted at 3.5 may arise for other ICT contracts. An assessment will be made on a per contract basis to consider the business impact of changing technology. As an example, the current Local Area Network maintenance contracts have different end dates and these will continue to be consolidated as appropriate.
- 3.7** 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 free of charge. ICT are currently preparing to engage 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, although subject to market testing.
- 3.8** Some technical changes were implemented during COVID under the scheme of delegation (see list below) These changes will continue to next stage during 2023-24 and, where appropriate, capital funding will be utilised. 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. This assessment will continue during the procurement stages.
- Security Operation Centre. The Council continues to work in collaboration with National Digital Office with the option to take part in a joint procurement for a security solution. The initial requirements have been agreed and the procurement exercise will be progressed during 2023/24;
 - Remote Access Redesign. As part of our continuous service improvements and to help sustain hybrid working and remote access, we are reviewing our

remote access design to ensure it remains fit for purpose and meets customer demand and our future requirements.

- We are reviewing the options to deliver business applications to Council employees and partners. This review will aim to improve the desktop experience for users and also maximise our existing investment in M365.
- Vulnerability Management. It was recognised that as a direct result of the COVID-19 pandemic and subsequent new ways of working that a review of our existing approach to vulnerability management was required. This review commenced in 2022 with the implementation of a new vulnerability management solution and this review will continue during 2023/24.

Capital

- 3.9** The Council utilises the Scottish Wide Area Network (SWAN) Framework agreement for several infrastructure components. The agreement expires in 2023 and includes a 3-year extension option to 2026. The NHS are the lead for the SWAN Framework and have an established project team to procure the replacement contract with a view to transitioning from 2023 to 2026. The procurement is slightly delayed but still within the expected 24 to 36 months timescale. As a SWAN member, the Council are contributing to the project i.e. procurement approach, cost assessment, project governance, specification, evaluation etc. The procurement stage incurs a cost for all SWAN members taking part and this cost was included in the ICT capital plan projects for 2021-22 and the balance is being carried to 2023/2024.
- 3.10** The Council continues to make a substantial commitment to improving and securing the ICT infrastructure and processes to support and innovate service delivery through capital investment.
- 3.11** Table 1 below is an excerpt from the Capital plan as agreed by Council in March 2022 and includes the following recurring capital budget for ICT:

Table 1 – Existing Agreed ICT 1-Year Capital Plan

Capital allocation	2022/23
ICT Security & Resilience Inc. Education Software Licensing Refresh	£400,000
ICT Modernisation Inc. £155k HSCP budget	£857,000
365 Implementation	£150,000
Total	£1,407,000

- 3.12** Table 2 below includes agreed December 22 reductions to the capital plan as part of the Council's 10-year capital plan review and these will be included in the 2023/24 Capital plan report which will be considered by Council in March 2023. The ICT Modernisation budget includes £125k HSCP budget.

Table 2 – Proposed Capital allocation

Capital allocation	2023/24
ICT Security & DR, Resilience Inc. Education Software Licensing Refresh	£729,000
ICT Modernisation Inc. HSCP value	£918,000
365 Implementation	£160,000
	£1,807,000

3.13 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. Digital Education Scotland national funding for purchase of Education devices and increasing bandwidth. The investment projects for capital spend are detailed in table 3 below and ICT will liaise with procurement to ensure the correct procurement route is utilised for each spend project.

3.14 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 3 – Proposed Projects ICT Capital Spend 2023-24

Description	Capital (Est)
ICT Security & DR, Resilience	£729,000
1. Wireless Access Replacement Project (cont. from 22/23)	£110,000
2. Future of SWAN Contract	£50,000
3. Remote Desktop Service Licenses	£149,000*
4. Virtual Applications/Remote Access Technology Review	£160,000*
5. Replace Ageing Hardware (Firewall, Servers, Switches)	£100,000
6. Security Compliance remediation	£70,000
7. Security Resourcing - Security partner – multi-year consultancy services to ensure specialist skills available when required e.g. forensic investigations	£30,000
8. Internal ICT resource recharges	£60,000
ICT Mod / Infrastructure	£918,000
1. Device replacement	£670,000
a. Chromebooks	£248,000
b. PCs	£227,000
c. Mobile Phones	£30,000
d. Laptops	£165,000
2. ICT Modernisation of HSCP systems & Infrastructure	£125,000
3. Resources to Support a range of Corporate projects	£123,000
Office 365 Implementation	£160,000
1. Resourcing	£60,000
2. Securing and Implementing MS OneDrive/SharePoint	£100,000
Total	£1,807,000

*exact costs to be established as further analysis and pricing required. see 3.19 below

- 3.15** Wireless Access Replacement project: ICT has initiated a large-scale project to replace approximately 900 ageing Wi-Fi Access Points currently installed across corporate and education locations. This project will deliver improved wireless performance and reliable connectivity. This investment will ensure a modern fit for purpose Wi-Fi solution is delivered to our employees and pupils and enable improved mobility and flexibility in our offices, schools and early years establishments. The project will be delivered in line with the Council asset management strategy to ensure the project is targeting appropriate locations.
- 3.16** 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. These items are purchased from nationally agreed frameworks and the overall spend is detailed in Table 3.
- 3.17** Server and Firewall Hardware Replacement: ICT have undertaken a server and firewall replacement project during 2021/22 to refresh ageing hardware to ensure it is up to date and remains in line with technological advances. This project will continue during 2023/24 and hardware is purchased via nationally agreed frameworks with the overall spend detailed in Table 3.
- 3.19** Business Applications Delivery & Remote Access Design Review: ICT are currently exploring the options to deliver virtual business applications and remote access to employees. The aim of the review is to improve the desktop experience for users, meet the demand of hybrid working and also to replace ageing hardware. Remote Access options will be determined by compatibility with our new application delivery model. This project has both capital and revenue implications and will be managed via future budget planning

4. Main Issues

Procurement

- 4.1** Consideration will be given to multi-year contracts, and contracts utilising framework agreements and/or contracts utilising 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 utilising framework agreements or contracts utilising purchasing systems in so far as they can be terminated should the revenue budget not be continued. The authority sought in Paragraph 2.1, includes the option to enter into 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** In the event that the proposed, re-profiled ICT Capital plan outlined in Table 2 is not approved in full by Council in March 2023, the People and Technology spend plan will be adjusted to align with the approval given.
- 4.4** 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 financial impact.

Increased Demand for Technology to Improve Service Delivery

- 4.5** There continues to be significant increases in the demand and utilisation of technologies and the financial resources to deliver these as 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;
 - mobility where additional mobile sim contracts 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 and now over 10,000 devices deployed in schools the annual device replacement project spend as well as revenue implications of increasing bandwidth requirements; and
 - services exploring and implementing digital transformation.
- 4.6** In the last decade, there has been no increase in the ICT employee resourcing levels to meet the support demands, indeed numbers have steadily reduced. In the past a small number of short-term temporary appointments have been used and will continue for specific project-related tasks, however the ratio of devices per Support Analyst will continue to be closely monitored to ensure sustainability of current and expected service levels.
- 4.7** The Council has an ambitious Digital Strategy and has established close links with the National Digital Office. The continued investment in technology highlighted in this report will help deliver the strategy and provide our service areas and partners with the technology and tools to digitally transformation plans and improve service delivery to our citizens and workforce.
- 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 work with colleagues in Finance to monitor this transition.

- 4.9** Alongside a potential change in licencing model, new technical design solutions are required to facilitate increased remote access and new ways of working as solutions migrate to be cloud hosted. For example;
- as mailboxes migrated to 365 cloud-based provision then a cloud-based backup solution was required
 - as per 3.19 above to facilitate fluid hybrid remote and on premise working, changes to the remote access solution design and virtual business applications delivery are required.

5. People Implications

- 5.1** Existing Framework Agreements or Dynamic Purchasing Systems 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, as specialist knowledge is required when introducing new technologies, for example, forensic security analysis and the introduction of M365. It is expected that ICT employees will 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 2023-24 (subject to Council approval in March 2023).
- 6.2** The ICT and Corporate Procurement teams work with services 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 2023 as outlined in Table 2. The projects specified in Table 3 can be scaled up or down.
- 6.4** All procurement activity carried out by the Council for spend valued from £50,000 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 3. 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 due to external factors such as the global semi-conductor shortage and associated supply chain issues that ICT equipment prices continue to increase in the short to medium term and delivery timescales can be extended. This issue may also have an impact on any projected project delivery dates.
- 7.3** Continued investment in this area contributes to Strategic Risks: SR04 Keeping Abreast of Developments in the Innovative Use of Technology; and SR08 Threat of Cyber Risk.

8. Equalities Impact Assessment (EIA)

- 8.1** A screening has been carried out and there is no impact on any particular group for any of the technology spend plans.
- 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 carried out in line with the Council's procurement and equality guidance, and implementation planning will consider equality issues.

9. Environmental Sustainability

- 9.1** Contract strategies for individual projects will consider a range of sustainability issues including the environmental implications of ICT equipment and services. Decisions on equipment specifications will take account of the need to minimise energy consumption, reduce CO2 emissions and minimise waste

at the end of the life cycle.

10. Consultation

10.1 Legal, Corporate Procurement Unit, 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 residents; and all employees are provided with the technology needed to do their job effectively.

11.2 The planned capital spend on improved security, resilience and mobility ensures that a fit for purpose ICT environment supports all of the Council service areas to deliver on their strategic objectives.

11.3 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 possible 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.

Name: Victoria Rogers
Designation: Chief Officer - People and Technology
Date: 5 January 2023

Person to Contact: James Gallacher, Manager of ICT, 07531184141

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

Background papers: EIA Screening

Wards Affected: All

Appendix 1 – Estimated Annual Revenue Spend over £10,000 (based on 2022-23)

Product	Commodity Category	Cost
Microsoft Enterprise Agreements	Corporate Licensing	£670,485
Wide Area Network	Network	£305,400
Virtual Business Applications	Corporate Licensing	£199,025
Education MIS	Business System	£106,220
Social Work Case Management	Business System	£93,565
Telephone Lines	Network	£75,000
Revenue & Benefits	Business System	£70,560
Automation Software	Business System	£70,000
Cloud Backup Solution	Corporate Licensing	£65,280
Firewall Support	Hardware Infrastructure	£60,000
Server Maintenance	Hardware Infrastructure	£58,185
Housing Management	Business System	£55,600
Rent Arrears Management	Business System	£51,800
Local Area Network	Network	£49,600
Water Management	Business System	£46,500
Library Management Software	Business System	£45,965
Leisure Management	Business System	£45,300
Job Costing	Business System	£43,500
Finance Management	Business System	£41,295
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	£25,800
Security Filtering Management	Hardware Infrastructure	£25,700
User Account Personalisation	Corporate Licensing	£24,850
Asset Management	Business System	£23,600
Corporate Arrears System	Business System	£23,400
2-factor Authentication Service	Corporate Licensing	£23,100
Adobe Licensing	Corporate Licensing	£23,100
Document Management	Business System	£23,000
Care Monitoring Scheduling	Business System	£22,400
Workforce Management	Business System	£21,830
Construction Standards Management	Business System	£21,800
Wireless Network	Network	£21,300
Environmental Services	Business System	£20,500
Service Desk	Business System	£19,530
Data Domain Management	Hardware Infrastructure	£18,000
Website Support	Business System	£17,700
Education Gateway	Business System	£17,600

Product (cont.)	Commodity Category	Cost
Election Management	Business System	£16,800
Education Teaching Materials	Business System	£16,400
Performance Management System	Business System	£16,000
Housing Benefits and Allocations	Business System	£15,600
Vehicle Management System	Business System	£15,600
Virtual Server Environment Support	Hardware Infrastructure	£13,900
Online Forms	Business System	£13,800
Business Property Rates	Business System	£12,800
Remote Control Software	Business System	£11,660
Contact Centre	Business System	£11,600
Device Security Management Antivirus	Hardware Infrastructure	£11,600
Employability Case Management	Business System	£11,500
Council Meetings System	Business System	£10,700