

**WEST DUNBARTONSHIRE COUNCIL****Report by Strategic Lead – People & Technology****Corporate Services Committee: 17 February 2021**

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**Subject: People & Technology Spend 2021-22****1. Purpose**

- 1.1** The purpose of this report is to provide the Committee with a detailed breakdown of the planned People & Technology (P&T) capital and revenue spend on 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. The projects to deliver this spend will be included in the 2021-22 People and Technology Delivery Plan currently in development and scheduled for May's meeting of this committee;
- 2.1.2** where the contract award is less than £50,000, delegate authority to the Procurement Manager in consultation with the Chief Officer – People and Technology 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 for all spend purchased from National Framework agreements;
- 2.1.3** approve the revenue spend included in this report including approval to explore and secure multi-year contracts, Framework Agreements and Dynamic Purchasing Systems beyond the term of approved budgets where efficiencies and savings can be achieved;
- 2.1.4** approve the projects specified in Section 3 of this report; and
- 2.1.5** note that spend where the value of the contract is valued above £50,000 will be submitted to the Tendering Committee for approval.

**3. Background**Revenue

- 3.1** The Council has an annual P&T revenue spend of approximately £1,800,000 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.

- 3.2** The ICT team is continuing to work with Corporate Procurement Unit (CPU) to refine the commodity strategy. The breakdown includes:
  - 3.2.1** Corporate line of business applications for the management of processes such as Finance, Housing, Performance and Purchasing. Although the annual maintenance budget for these systems sits with the ICT team, the responsibility for the systems and associated contracting lies with the system owners within the service areas. The system owners are responsible for granting system access and permissions, data management and security compliance, coordinating upgrades, verifying license requirements and ensuring the systems continue to meet service needs;
  - 3.2.2** Infrastructure hardware commodity includes servers, switches, wireless access points, security infrastructure, cabling, cisco phone 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, thin clients, laptops, mobile phones (MOB) and chromebooks across the Council;
  - 3.2.5** The Corporate licenses commodity includes 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; and
  - 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 is 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** A solution is being discussed with CPU regarding the Multi Function Device (MFD) contract which expires in Q1 2021-22. The replacement national framework agreement is not yet available due to COVID-19 pandemic. Additionally, print and scanning requirements for remote based employees compared to on premise employee differs greatly and more time is needed to analyse this changing requirement to ensure any new MFD contract is based on the new business requirement. Discussions with CPU are in progress 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 MFD contract.
- 3.6** The issue highlighted at 3.5 is likely to arise for some other ICT contracts. An assessment will be made on a per contract basis to consider the business impact of changing technology during the pandemic. An example is the grid token multifactor authentication system contract which is due to expire in June 2021, and the Mail Filtering System which is also due to expire in June 2021. It is the intention to enter into single year below £50,000 contracts for each to continue the service until future long term solutions are scoped out.
- 3.7** WDC utilise 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 established a project team to start the procurement exercise for the replacement contract with a view to transitioning from 2023. The procurement is expected to take 24 to 36 months. WDC as a SWAN member are contributing to the discussions regarding the procurement approach, procurement cost assessment, project governance etc. The procurement stage will incur a cost for all SWAN members who wish to take part and this has been included within the proposed ICT capital plan projects detailed in Table 3 below. A decision milestone on whether each organisation wishes to opt in / opt out of the procurement is expected to take place in quarter 1 2021-22. The ICT Steering Board in consultation with Procurement Manager will be asked to make this decision on behalf of WDC with a view to committing WDC to the spend on the procurement process.

### Capital

- 3.8** In line with the ICT Asset Management Plan 2017-22 agreed at Corporate Services Committee in August 2017, 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.
- 3.9** Table 1 below is an excerpt from the Capital plan as agreed by Council in March 2020 and includes the following recurring capital budget for ICT:

**Table 1 – Existing Agreed ICT 2-Year Capital Plan**

<b>Capital allocation</b>	<b>2021/22</b>	<b>2022/23</b>
ICT Core Infrastructure (including Security & Resilience)	£402,000	£1,000,000
ICT Modernisation / Infrastructure	£753,000	£755,000
ICT Modernisation	£100,000	£100,000
Internet of Things Asset Tracking	£240,000	
IoT Employee Resilience Support	£200,000	
Education Software Licensing Refresh	£30,000	£30,000
365 Implementation	£100,000	
<b>Total</b>	<b>£1,825,000</b>	<b>£1,885,000</b>

**3.10** Table 2 below includes some proposed adjustments to the capital plan and these will be included in the Council's 2021/22 Capital plan report which will be considered by Council in March 2021. The proposal is to:

- Return £240,000 to the capital plan as the business case for Internet of Things (IoT) asset tracking was not justified;
- Return £100,000 to the capital plan for IoT Employee Resilience Support as there was an error in the original capital bid - £100,000 was required in total over 2 years rather than £100,000 each year; and
- Re-profile the ICT Core Infrastructure Security & Resilience budget as included within Table 2 below.

**Table 2 – Proposed Re-profiled capital**

<b>Capital allocation</b>					<b>2021/22</b>	<b>2022/23</b>
ICT Core Infrastructure (inc Security & Resilience)					£1,100,000	£460,000
	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>Total</b>		
<b>Current profile</b>	£390,000	£402,000	£1,000,000	<b>£1,792,000</b>		
<b>New profile</b>	£232,000	£1,100,000	£460,000	<b>£1,792,000</b>		
ICT Modernisation / Infrastructure					£753,000	£755,000
ICT Modernisation – New					£100,000	£100,000
Internet of Things Asset Tracking					£0	
IoT Employee Resilience Support (year 2)					£50,000	
Education Software Licensing Refresh					£30,000	£30,000
365 Implementation (year 2)					£100,000	
<b>Total</b>					<b>£2,133,000</b>	<b>£1,345,000</b>

**3.11** The scope for each project will include some spend flexibility, allowing for spend on smaller value works and the appropriate procurement route will be selected.

**3.12** Where possible and where opportunities arise officers aim to secure match funding from external sources.

- 3.13** The investment projects for P&T capital spend are detailed in table 3 below. P&T will liaise with CPU 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 2021-22**

Description	Estimated Capital
<b>ICT Core Infrastructure (Security &amp; Resilience)</b>	<b>£1,100,000</b>
1. Switch replacement - phase 2 replacing end of life (EOL) network switches	£550,000
2. Capacity plan network infrastructure and additional bandwidth	£50,000
3. Future of SWAN (wide area network) – procurement stage	£50,000
4. Security compliance linked to issues identified during annual network penetration testing	£60,000
5. Storage requirements including Infrastructure Architecture Review aligned / interdependencies to cloud and 365 rollout approach	£300,000
6. Security Resourcing - Security partner – multi year consultancy services to ensure specialist skills available when required eg forensic investigations	£30,000 pa
7. Internal ICT resource recharges	£60,000
<b>ICT Mod / Infrastructure</b>	<b>£753,000</b>
1. Device replacement	£375,000
2. ICT Modernisation / Infrastructure HSCP	£155,000
3. Resources to Support a range of Corporate projects	£123,000
4. Service Improvement projects	£100,000
<b>Education Software Applications (pa)</b>	<b>£30,000</b>
<b>Office 365 (year 2 - 21-22)</b>	<b>£100,000</b>
<b>IoT Employee Wellbeing (year 2 - 21-22)</b>	<b>£50,000</b>
<b>ICT Modernisation – New – MOB and Chromebook replacement (pa)</b>	<b>£100,000</b>
<b>Total</b>	<b>£2,133,000</b>

#### **4. Main Issues**

##### Procurement

- 4.1** Consideration will be given to multi-year contracts, Framework Agreements and Dynamic Purchasing Systems where recurring capital/ revenue has been approved and where this would deliver efficiencies. 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 of existing collaborative framework agreements, 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 2021, 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 taking into account current revenue spend to off-set the financial impact.

#### Increased Demand for Technology to Improve Service Delivery

- 4.5** There continues to be a significant increase in the number of devices and systems requiring support. To date there has been no increase in the ICT employee resourcing levels to meet the support demands. While a small number of short-term temporary appointments have been used for specific project-related tasks, the ratio of devices per Support Analyst will continue to be closely monitored to ensure sustainability of current and expected service levels.
- 4.6** The increase mentioned in 4.5 above and the financial resources included in section 3 of this report relate to items such as;
- licenses;
  - mobility;
  - security where emerging threats and changes in the security landscape may require additional investment;
  - system resilience where ongoing discussions with services to review their business continuity and resilience requirements may result in increased demand in this area; and
  - device replacement.
- 4.7** The Council has an ambitious Digital Strategy and established close links with the National Digital Office. The continued investment in technology highlighted in this report will help deliver the strategy and more digitally enabled services to our citizens and workforce.
- 4.8** The Scottish Government's Civtech process has delivered a forum to support procurement and technology innovation and West Dunbartonshire Council is completing year 2 of an employee wellbeing engagement pilot. The Council is also involved in the asset tracking project by contributing resources to product testing and supporting the project governance.

## **5. People Implications**

- 5.1** Existing framework agreements will be used where best value can be demonstrated as this will reduce both project timescales and staffing resource requirements.
- 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, the introduction of 365 and sharing locations with NHS. It is expected that ICT employees will gain knowledge and skills during these projects to ensure they can deliver the on-going operational services.

## **6. Financial and Procurement Implications**

- 6.1** Revenue budget currently exists for all licenses and maintenance spend identified in the Appendix. This is included within the draft revenue budget for 2021-22 (subject to Council approval in March 2021). However many suppliers apply inflationary increases and these will be captured as future revenue burdens.
- 6.2** The ICT and CPU 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 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 2021 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 above £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:
  - 6.4.1** Do nothing – for many IT components this option is not viable because of the security implications. For example, non-replacement of end of life devices would result in unsupported equipment which would then put Council at risk of virus and malware attacks. However based on risk assessment of the issue, a decision may be taken to 'do nothing' for a period of time.

- 6.4.2** Where a purchase is required, options as to type of equipment or license will be reviewed, e.g. most suitable device for primary school versus high school versus corporate use. In the case of licenses, options such as, perpetual versus subscription licensing will be considered and is often dependant on the product and supplier.
- 6.4.3** Multi year, single year, full year or part year license and support is considered and whether there is an option to decommission part of a system.
- 6.4.4** Increasingly ICT Suppliers are offering hosted/cloud services rather than on premise solutions. ICT continue to work with Finance colleagues to assess the longer term financial implication of purchasing ICT as a service for example hosting/cloud services which changes the sustainability of the current revenue budget.

## **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.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** A screening has been carried out and there is no impact on any particular group for majority 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, 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 IT equipment and services contribute to the Council's strategic priority of delivering fit for purpose estate and facilities and delivers a positive response to employee feedback in the annual ICT Customer Satisfaction Survey.
- 11.2** The planned capital spend on improved security, resilience and mobility ensure 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.

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**Designation:** Chief Officer - People and Technology  
**Date:** 29<sup>th</sup> January 2021

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

**Background papers:** ICT Asset Management Plan

**Wards Affected:** All

## Appendix 1 – Estimated Revenue Spend over £10,000 (based on 2020-21)

Product	Commodity Category	Cost
Microsoft Enterprise Agreements	Corporate Licensing	£332,400
Wide Area Network	Network	£305,400
Citrix	Corporate Licensing	£195,000
Housing Management (transition)	Line of Business System	£160,000
Education MIS	Line of Business System	£92,400
Social Work Case Management	Line of Business System	£87,300
Local Area Network	Network	£71,000
Automation Software	Line of Business System	£70,000
Revenue & Benefits	Line of Business System	£67,500
Telephone Lines	Network	£65,000
Server Maintenance	Hardware Infrastructure	£55,000
Rent Arrears Management	Line of Business System	£47,500
Water Management	Line of Business System	£46,500
Leisure Management	Line of Business System	£45,500
Job Costing	Line of Business System	£43,500
Library Management Software	Line of Business System	£42,200
Energy Management	Line of Business System	£36,000
Finance Management	Line of Business System	£35,400
Firewall Support	Hardware Infrastructure	£33,400
Planning & Building Standards	Line of Business System	£28,000
Roads – Lighting Management	Line of Business System	£27,500
Asset Management	Line of Business System	£23,600
Corporate Arrears System	Line of Business System	£23,400
Security Filtering Management	Hardware Infrastructure	£23,120
2-factor Authentication Service	Corporate Licensing	£23,100
User Account Personalisation	Corporate Licensing	£22,500
Backup Management	Hardware Infrastructure	£21,600
Wireless	Network	£21,300
Care Monitoring Scheduling	Line of Business System	£21,150
Construction Standards Management	Line of Business System	£21,000
Workforce Management	Line of Business System	£20,400
Education Gateway	Line of Business System	£19,700
Environmental Services	Line of Business System	£18,800
Service Desk	Line of Business System	£17,500
Education Teaching Materials	Line of Business System	£15,600
Election Management	Line of Business System	£15,500
Housing Benefits and Allocations	Line of Business System	£15,400
Performance Management System	Line of Business System	£15,100
Local Government Digital Transformation	Corporate Licensing	£15,000
Vehicle Management System	Line of Business System	£14,300
Virtual Server Environment Support	Hardware Infrastructure	£14,000

<b>Product (cont)</b>	<b>Commodity Category</b>	<b>Cost</b>
Employability Case Management	Line of Business System	£13,900
Online Forms	Line of Business System	£13,500
Data Domain Management	Hardware Infrastructure	£13,500
Business Property Rates	Line of Business System	£12,600
Document Management	Line of Business System	£12,240
Contact Centre	Line of Business System	£11,625
User Access Auditing (ADAuditPlus)	Corporate Licensing	£11,300
MOB Device Management	Corporate Licensing	£10,900
Device Security Management AntiVirus	Hardware Infrastructure	£10,000
Oracle Database Management	Corporate Licensing	£10,000