

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead – People & Technology****Corporate Services Committee: 19 February 2020**

Subject: People & Technology Spend 2020-21**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 in excess of £50,000 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, including the anticipated procurement method. The projects to deliver this spend will be included in the 2020-21 People and Technology Delivery Plan currently in development and scheduled for May's meeting of this committee;

2.1.2 delegate authority to the Corporate Procurement Manager in consultation with the Strategic Lead – 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; and

2.1.3 note that spend where the value of the contract is in excess of £50,000, will be submitted to the Tendering Committee for approval.

3. BackgroundRevenue

3.1 The Council has 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), security and application licenses. The detail included in Appendix 1 of this report lists estimated spend over £10,000 per system service.

3.2 The ICT team is currently working with Procurement Services to develop a 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, 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, 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** 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, device, application and policy management technologies. The technology is managed by the ICT team on behalf of the Council however licenses can 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.

Capital

- 3.5** 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 the ICT infrastructure and processes to support and innovate service delivery through capital investment.
- 3.6** Table 1 below is an excerpt from the Capital plan as agreed by Council on 27 March 2019 and includes the following recurring capital budget for ICT:

Table 1 – Existing Agreed ICT 2-Year Capital Plan

Capital allocation	2020/21	2021/22
ICT Core Infrastructure (including Security & Resilience)	£390,000	£402,000
ICT Modernisation / Infrastructure	£751,000	£753,000
• ICT Modernisation / Infrastructure ICT (includes £372,760 device replacement and approx. £100,000 innovation / improvement projects)	£472,760	£474,760
• ICT Modernisation / Infrastructure HSCP	£155,000	£155,000
• ICT Project Resourcing	£123,240	£123,240
AV Replacement Education	£150,000	£60,000
Total	£1,291,000	£1,215,000

3.7 Table 2 below shows the additional capital that is being requested for specific projects and which is included in the Council's 2020 Capital plan report which will be considered by Council on 4 March 2020. The proposal is to:

- increase the ICT Modernisation / Infrastructure budget by £100,000 per annum to include the replacement of selected additional devices such as chromebook for schools and mobile phones which have been added to the Council's device estate since the recurring budget was approved in 2013; and
- in line with the Council's digital strategy include an additional £685,000 for service innovations and improvements subject to business case approval. Some of these projects will be funded from the Change Fund and some may attract match funding;
 - asset tracking and other Internet of Things (IoT) pilots and developments;
 - implementation services for Office 365;
 - upgrade learning and teaching software applications; and
 - implementation of process automation technologies.

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

3.9 The investment projects for P&T capital spend as detailed in Table 2 below includes the procurement route options and the potential year 2 revenue implications for each project. The revenue impact (estimated as £180,000) relates only to the technology spend and not the overall project business case which may generate savings elsewhere. Any revenue impact will form part of future revenue planning and based on the actual spend.

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

Table 2 – Proposed Recurring ICT Capital Spend 2020-21

Description	Estimated Capital	Estimated Revenue Impact (Year 2)	Planned Procurement Route
ICT Core Infrastructure (Security & Resilience)			
<ul style="list-style-type: none"> Servers & Infrastructure Security compliance works and solutions Resourcing 	£390,000	£40,000	Existing Contract / Tender / Framework
ICT Mod / Infrastructure			
Device replacement (additional £100,000)	£472,760	£10,000	Existing Contract / Tender / Framework
ICT Service Modernisation and Innovation (additional £685,000) <ul style="list-style-type: none"> IoT pilots Automation Software Office 365 (over 2 years) Software Applications (pa) 	£685,000 approx <ul style="list-style-type: none"> £220,000 £235,000 £200,000 £30,000 	£100,000	Tender / Framework
ICT Modernisation / Infrastructure HSCP	£155,000	£15,000	Existing Contract / Tender / Framework
Resources to Support a range of Corporate projects	£123,240		
Audio Visual(AV) Modernisation for Schools	£150,000	£15,000	Framework / Tender
Total	£1,976,000	£180,000	

4. Main Issues

Procurement

- 4.1 Consideration will be given to multi-year contracts where recurring capital/ revenue has been approved and where this would deliver efficiencies and the authority sought in Paragraph 2.1 includes the option to enter into such multi-year arrangements including beyond the second year for those items listed in Section 3 and the appendix to this report.
- 4.2 The procurement 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 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 2020, 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 capital contracts and where required these will be included as burdens in future ICT revenue budget estimates. An indicative value has been included in Table 2 above however as many of the purchases are for replacement technology, it is anticipated that the current revenue spend on maintenance will off-set some of this.

Increased Demand for Technology to Improve Service Delivery

- 4.5** The budget growth requests reflect the overall increase in the use of technology across the Council to deliver services. There is 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 deliver the support demands. While a small number of short-term temporary appointments have been made 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** In addition to the above, there is a related increase in the financial resources needed and as included in section 3 of this report for;
- 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 has established close links with the National Digital Office. The new technologies highlighted in section 3.7 above help deliver the strategy and more digitally enabled services to our citizens and workforce.
- 4.8** A key strand with the Council's Digital transformation is to automate appropriate processes and support employees in day-to-day tasks. Automation technology is already being used in a range of processes in other authorities. The approach builds on the existing infrastructure with minimal disruption to underlying systems, that can be difficult and costly to replace. Usually automation is used to support high-volume, business-rules-driven, repeatable processes. A few examples include:
- log into systems;
 - populate, copy and paste data, move files and folders;
 - automatically integrate multiple systems to perform agreed tasks;

- extract and process structured and semi structured content from documents, PDFs, emails and forms, read and write databases;
- open emails and attachments; and
- perform calculations.

4.9 An example of automation technology that was tested as part of the council's employee new start process saw the software log into MyJobScotland and Chris21 (Workforce Management System), Outlook; extract selected information from MyJobScotland and input into Chris 21 to avoid manual keying, exporting and importing information from Excel to simplify reporting and data analysis.

4.10 The Scottish Government's Civtech process has delivered a forum to support procurement and technology innovation and provide an opportunity for match funding. West Dunbartonshire Council is currently engaged in two Civtech projects; asset tracking and employee engagement. These projects are included in the scope of this report but are subject to business case approval.

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 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 and this is included within the draft revenue budget for 2020-21 (subject to Council approval in March 2020). However many suppliers apply inflationary increases and these will be captured as future revenue burdens.

6.2 The ICT team works 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 and also so that related savings and spend can be identified and planned for appropriately 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 2020 as outlined in Table 2. The projects specified can be scaled up or down.
- 6.4** All procurement activity carried out by the Council in excess of £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.
- 6.4.2** Where a purchase is required, options as to type of equipment or license, e.g. most suitable device for primary school versus high school versus corporate use will be reviewed. 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** 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 2. This risk can be mitigated by a range of procurement 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 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, Procurement, 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 a robust contract strategy 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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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

Product	Commodity Category	Cost
Wide Area Network	Network	£320,000
Microsoft Corporate Enterprise Agreement	Corporate Licensing	£189,400
Citrix	Corporate Licensing	£170,300
Housing Management (transition)	Line of Business System	£160,000
Microsoft Education Enterprise Agreement	Corporate Licensing	£92,000
Social Work Case Management	Line of Business System	£89,300
Education MIS	Line of Business System	£88,500
Automation Software	Line of Business System	£70,000
Revenue & Benefits	Line of Business System	£63,600
Local Area Network Support	Hardware Infrastructure	£63,300
Server Maintenance	Hardware Infrastructure	£52,500
Water Management	Line of Business System	£46,500
Leisure Management	Line of Business System	£45,500
Rent Arrears Management	Line of Business System	£45,000
Job Costing	Line of Business System	£43,500
Library Management Software	Line of Business System	£40,600
Energy Management	Line of Business System	£36,000
Finance Management	Line of Business System	£32,800
Planning & Building Standards	Line of Business System	£32,000
Roads – Lighting Management	Line of Business System	£27,500
2-factor Authentication Service	Corporate Licensing	£24,800
Corporate Arrears System	Line of Business System	£23,400
Asset Management	Line of Business System	£22,000
Wireless	Network	£21,300
Care Monitoring Scheduling	Line of Business System	£19,000
Backup Management	Hardware Infrastructure	£18,800
Construction Standards Management	Line of Business System	£18,700
Workforce Management	Line of Business System	£18,500
Environmental Services	Line of Business System	£17,800
Security Filtering Management	Hardware Infrastructure	£15,000
Local Government Digital Transformation	Corporate Licensing	£15,000
Education Teaching Materials	Line of Business System	£14,700
VMware Support Services	Hardware Infrastructure	£14,500
Election Management	Line of Business System	£14,500
Housing Benefits and Allocations	Line of Business System	£14,500
Performance Management System	Line of Business System	£14,300
Device Security Management	Hardware Infrastructure	£14,000
Employability Case Management	Line of Business System	£13,900
Vehicle Management System	Line of Business System	£13,500
Firewall Support	Hardware Infrastructure	£13,400