

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead – People & Technology****Corporate Services Committee: 23 February 2022**

Subject: People & Technology Spend 2022-23**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 2022-23 People and Technology Delivery Plan currently in development and reported to a future meeting of this committee;

2.1.2 approve the procurement of all contracts valuing £50,000 and above;

2.1.2 note, where the contract award is less than £50,000, 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;

2.1.3 approve the revenue spend included in this report including approval to explore and secure multi-year contracts, contracts utilising framework agreements (FA) or contracts utilising dynamic purchasing systems (DPS) 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 where the value of the contract is from £50,000, remittance for approval will be submitted to the Tendering Committee.

3. BackgroundRevenue

- 3.1** The Council has an annual P&T revenue spend of approximately £1,900,000 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 the Corporate Procurement Unit (CPU) to refine the contract strategies. 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 and budget 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** The Multi-Function Device (MFD) contract expired in Q1 2021-22. The contract was extended last year and will require a further temporary extension for 2022-23 (or part thereof) as the replacement national framework agreement is not yet available due to COVID-19 pandemic. This extension is also providing an opportunity 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 MFD contract is based on the new business requirement. Discussions with CPU continue with a view to extending the lease on specific devices by calling off against the current Scottish Government Office Equipment FA, rationalising the device lease end dates within the current MFD contract.
- 3.6** The issue highlighted at 3.5 is likely to arise for other ICT contracts. An assessment will be made on a per contract basis to consider the business impact of changing technology during the pandemic. As an example, the current Local Area Network (LAN) maintenance contracts have different end dates and we aim to consolidate these during 2021-2023. The datacentre Uninterrupted Power Supply (UPS) contract may need extended as an interim measure.
- 3.7** Disposal of Obsolete Equipment – WDC currently have an out of contract arrangement where the supplier collects and disposes WDC equipment in line with The Waste Electrical and Electronic Equipment Regulations (WEEE) free of charge. ICT will explore solutions for a replacement arrangement with aim of securing income for WDC from equipment disposals.
- 3.8** Some technical changes have recently been investigated and /or solutions implemented under the scheme of delegation and the projects listed below will continue to next stage during 2022-23. Where possible Capital funding will be utilised but it is anticipated the requirements listed below will be purchased as cloud services and therefore require additional revenue funding which will be captured during the procurement stages.
- 3.8.1** Security Operation Centre (SOC). WDC are working in collaboration with National Digital Office with the option to take part in a joint procurement for a 24/7/365SOC.
- 3.8.2** Remote access Redesign – Due to new ways of working and increased, sustained remote access, we require to review our remote access design to ensure it remains fit for purpose and meets our requirements moving forward.
- 3.8.3** Remote Control of devices - Due to the COVID-19 pandemic a large number of WDC users now homework. ICT has reviewed and are now implementing a solution to enhance the support being provided to users to reduce the need for on site device appointments, reduce disruption window users face whilst ensuring and enhancing security. This will continue to be reviewed and

actioned in line with office returns for longer term support requirements.

3.8.4 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 has commenced with interim technology implemented and will continue during 2022/23 to ensure our processes and technology address both on premise and off network remote devices.

3.8.5 Backups - An investigation has taken place to examine using existing on premise solutions to backup mailboxes that transition to the Microsoft 365 platform versus the requirement for a cloud based solution to provide backup and restoration services for migrated mailboxes. WDC are developing a PIN notice with a view to engaging the marketplace via the procurement portal.

Capital

3.9 WDC 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 established a project team to procure 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 project i.e. procurement approach, procurement cost assessment, project governance, specification, evaluation etc. The procurement stage incurs a cost for all SWAN members taking part and this was included in the ICT capital plan projects for 2021-21 and the balance will be carried to 22-23.

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 2021 and includes the following recurring capital budget for ICT:

Table 1 – Existing Agreed ICT 2-Year Capital Plan

Capital allocation	2022/23	2023/24
ICT Security & Resilience	£460,000	£400,000
ICT Modernisation	£855,000	£857,000
Education Software Licensing Refresh	£30,000	£30,000
365 Implementation	£50,000	£0
Total	£1,395,000	£1,287,000

3.12 Table 2 below includes proposed adjustments to the capital plan as part of the 10-year capital plan refresh and these will be included in the Council's 2022/23 Capital plan report which will be considered by Council in March

2022. In addition, the proposal is to incorporate the Education Software Licensing Refresh into Security / Resilience budget. The re-profiled budgets are as outlined in Table 2 below.

Table 2 – Proposed Re-profiled capital

Capital allocation	2022/23	2023/24
ICT Security & DR, Resilience inc Education Software Licensing Refresh	£490,000	£790,000
ICT Modernisation	£1,025,000	£1,147,000
365 Implementation	£150,000	£100,000
	£1,665,000	£2,037,000

3.13 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. Where possible and where opportunities arise, officers aim to secure match funding from external sources. 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 2022-23

Description	Capital (Est)
ICT Security & DR, Resilience	£490,000
1. Server replacements	£170,000
2. Data Domain storage replacement	£150,000
3. Security compliance linked to issues identified during annual network penetration testing	£50,000
4. Security Resourcing - Security partner – multi-year consultancy services to ensure specialist skills available when required e.g. forensic investigations	£30,000 pa
5. Internal ICT resource recharges	£60,000
6. Education Software Application Refresh	£30,000
ICT Mod / Infrastructure	£855,000
1. Device replacement (Chromebooks, PCs, mobile phones, laptops)	£747,000
2. ICT Modernisation of HSOP systems & Infrastructure	£155,000
3. Resources to Support a range of Corporate projects	£123,000
Office 365 Implementation	£150,000
1. Resourcing	£60,000
2. Securing OneDrive & Sharepoint	£90,000
Total	£1,665,000

4. Main Issues

Procurement

- 4.1** Consideration will be given to multi-year contracts, and contracts utilising FA or contracts utilising DPS 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 FA or contracts utilising DPS 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 FA or collaborative DPS, 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 2022, 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 demand and utilisation of technology and the increased 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 design improvements where increased remote access and new ways of working may require additional infrastructure 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 e.g. as schools aim for a 1:1 device per pupil ratio as well as more services moving to digital service delivery.
- 4.6** To date there has been no increase in the ICT employee resourcing levels to meet the support demands. In the past a small number of short-term temporary appointments have been used 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, and has increased its contribution to supporting, 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 Council continues its involvement in Scottish Government's Civtech process and assisting on an asset tracking solution by contributing resources to product testing and supporting the project governance.
- 4.9** ICT licensing is increasingly being offered as cloud/hosted only licensing model and this change of delivery mechanism by our suppliers is likely to drive a change to the current funding profile for ICT goods and services where 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 and to provide as much advance notice as possible to Finance where significant budgeted spend is likely to shift from Capital to Revenue.
- 4.10** Alongside a potential change in licencing model, new technical design solutions may be required to facilitate increased remote access and new ways of working as solutions migrate to be cloud hosted. For example;
- as mailboxes migrate to cloud based provision then a cloud based backup or hybrid backup solution may be required; and
 - to facilitate fluid hybrid remote and on premise working, changes to the remote access solution design (Netscaler) may be required.

5. People Implications

- 5.1** Existing FA or DPS 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, 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 along with an inflationary increase is included within the draft revenue budget for 2022-23 (subject to Council approval in March 2022).
- 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 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 2022 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:
 - 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 a primary school versus high school versus corporate user. In the case of licenses, options such as, perpetual versus subscription licensing will be considered and is often dependant on the product and supplier. Multi year, single year, full year or part year license and support is also considered and whether there is an option to decommission part of a system.
 - 6.4.3** ICT licensing is increasingly being offered as cloud/hosted only licensing model and this change of delivery mechanism by our suppliers is likely to drive a change to the current funding profile for ICT goods and services where 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 and to provide as much advance notice as possible to Finance where significant budgeted spend is likely to shift from Capital to Revenue.

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 (BCR) 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. This may also have an impact on any projected project delivery dates.

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.

Name: Victoria Rogers
Designation: Chief Officer - People and Technology
Date: 25th January 2022

Person to Contact: Patricia Kerr, Manager of ICT, 07990 842158
patricia.kerr@west-dunbarton.gov.uk

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

Background papers: ICT Asset Management Plan
EIA Screening

Wards Affected: All