



Report of: ICT Services – Head of ICT Strategy & Commissioning

Report to: Deputy Chief Executive

Date: 16th March 2014

Subject: ICT Essential Services Programme – Hardware Upgrades 2014/15

Capital Scheme Number(s): 16997/EHU/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of Main Issues

The Essential Services Programme (ESP) was established to enable ICT Services to conduct a continuous annual programme of upgrade and refresh of the Council's core ICT hardware infrastructure.

As a general principle, ICT Services looks to ensure that our hardware infrastructure is utilised as long as feasibly possible before being refreshed. However, there are major elements of hardware refresh required over the coming year as outlined in this report.

Hardware: The main elements of this are the replacement of some of our aging Cisco network switches and refreshing elements of our MS Windows virtual server farm. Decommissioning the 3rd floor Civic datacentre and refreshing old end of life 'end user' devices. The programme also includes the essential upgrade of the Avaya contact centre telephony platform. This work involves the engagement of internal and external resources and the associated project management to implement this business critical hardware.

This report seeks approval to incur expenditure of £1,100K from the ESP programme to upgrade and refresh the Council's core ICT hardware infrastructure.

Recommendations

1. Proceed with the upgrade of the hardware refresh programme as outlined in this report.
2. Request the Deputy Chief Executive to give authority to incur expenditure of £710K on ESP equipment, £130K on external resources and £260K on ESP internal staffing effort.

1 Purpose of this Report

- 1.1 The purpose of this report is to seek approval for the funding required to conduct a range of major essential hardware refresh initiatives over the next 12 months.
- 1.2 This all involves new hardware and the engagement of internal and external resources to implement this hardware.

2 Background Information

- 2.1 There are approximately 11,000 end user devices across the Council and two primary data centres hosting a significant range of infrastructure – servers, storage devices, switches, routers, telephony and ancillary equipment etc. These servers host over 300 critical and important business applications and data storage volumes continue to increase rapidly. This hardware continually requires annual refresh.
- 2.2 The approach in LCC has always been that hardware will only be refreshed when we have driven all the value from the asset before unreliability, supportability, poor performance and the consequential failure of critical business services becomes an issue.
- 2.3 Furthermore, LCC generally spends significantly proportionally less than its core city counterparts on this core infrastructure.
- 2.4 It is also the case that this refresh brings wider benefits because technology improves over time and we get greater return on the investment in terms of functionality, processing power, reliability, reduced physical footprint, energy utilisation etc.

3 Main Issues

- 3.1 From a hardware perspective, approximately £710K is required in 2014/15 across a range of important initiatives. In addition, it is anticipated that £130K of external resources and £260K of internal ICT Services (and PPPU) resources are required to implement and commission this hardware. This equates to £1100K in total.
- 3.2 Some of the primary Cisco network switches in our datacentres and at some of our primary sites are required to be replaced because they are 'end of life'. A range of 'end user' devices – old PC's and Laptop devices are also approaching the end of their useful life and are required to be replaced. The Civic Hall 3rd floor datacentre requires decommissioning. The hardware is old and new corresponding hardware will be transitioned into our primary datacentres. A number of virtualisation initiatives are also required and this will require replacing old physical servers with new virtualised equivalents for both Unix (Solaris) and MS Windows. The business critical Avaya contact centre telephony platform also requires essential hardware upgrades.
- 3.3 Note - it is expected that similar levels of investment will be required in foreseeable future years. Notably the council's main 20 year old telephony system will go 'end of life' by the end of 2017 and therefore we will need to commence replacement in 2015/16. The current MS Sharepoint platform will also need upgrading to v2013 and the implementation of Sharepoint as a corporate platform under the ESP programme will present the opportunity to implement an efficient council wide document and record storage and retrieval system, replacing the traditional 'shared drives'.

4 Corporate Considerations

4.1 **Consultation and Engagement** - The proposed hardware refresh is an important part of the Essential Service Programme (ESP). The ESP programme has been consulted on widely – member briefings, CLT, Chief Officers and many staff across the organisation. The Executive Member for Resources (ICT Services) was briefed on 20/2/14. Strategic Investment Board considered and approved on 21/2/14.

4.2 **Equality and Diversity / Cohesion and Integration** - New hardware that directly impacts on end users i.e. PC's and laptops will take into consideration the requirements of disabled staff, in particular those with sight or hearing impediments.

4.3 **Council Policies and City Priorities** – Modern and 'fit for purpose' core ICT services and end user devices e.g. laptops and PC's are fundamental in the business effectiveness and efficiency of the 11000+ staff in the organisation who use a computer as an essential and fundamental part of their daily work.

4.4 Resources and Value for Money

4.4.1 Full Scheme Estimate

The anticipated cost for the hardware and deployment for 2014/15 is £840K of external spending on hardware and services, and £260K of internal staffing costs. Existing revenue budgets will be used to fund this expenditure.

4.4.2 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	onwards £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	onwards £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	710.0		710.0				
INTERNAL RESOURCES (ICT)	260.0		260.0				
OTHER COSTS (7)	130.0		130.0				
TOTALS	1100.0	0.0	1100.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2014 £000's	FORECAST				
			2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	onwards £000's
Departmental USB	0.0						
Corporate USB	1100.0		1100.0				
Any Other Income (Specify)	0.0						
Total Funding	1100.0	0.0	1100.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

4.4.3 Revenue

There is revenue funding built into the ICT Services budget to pay for the associated capital.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The hardware and services will be purchased through the Council's established preferred suppliers under existing contract arrangements. The technologies concerned are consistent with our agreed technical strategies. This decision is eligible for call in.

4.5.2 This decision is eligible for 'call in' and has been posted on the List of Forthcoming Decisions.

4.6 Risk Management

The hardware purchased will be consistent with the current range of technologies and equipment presently being sourced by ICT Services and therefore the risk is minimal. If this work is not undertaken, there is a certain high risk of additional costs and business failure as we operate on unsupported hardware.

5 Recommendations

The Deputy Chief Executive is requested to authorise that the Council:

5.1 Proceed with the upgrade of the hardware refresh programme as outlined in this report.

5.2 Incurs expenditure of £710K on ESP equipment, £130K on external resources and £260K on ESP internal staffing effort.

6 Background documents¹

6.1 None.

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.