Item: 4

Asset Management Sub-committee: 28 March 2019.

Information Technology Capital Replacement Programme.

Report by Executive Director of Corporate Services.

1. Purpose of Report

To consider the proposed Information Technology Capital Replacement Programme.

2. Recommendations

It is recommended:

2.1.

That the Information Technology Capital Replacement Programme for 2019 to 2020, together with the indicative programme for 2020 to 2021, to be funded from the allocation of £420,000 per annum within the Council's current approved capital programme, attached as Annex 1 to this report, be approved.

2.2.

That powers be delegated to the Executive Director of Corporate Services, in consultation with the Head of Finance, to adjust the two year programme, referred to at paragraph 2.1 above, as variations arise in order to maximise use of the annual capital allocation.

3. Background

3.1.

Any organisation that depends on reliable and up to date information technology to deliver its Services needs to allocate a proportion of its budget to an annual replacement programme.

3.2.

In April 2014, the Council agreed that an annual amount of £420,000 should be set aside to support a programme of Capital Replacement. This covers hardware across all Council services, and the infrastructure to deliver the Services that all staff are increasingly dependent upon.

3.3.

As detailed in the Information and Communications Technology Asset Management Plan 2016 to 2020, approved by Council in December 2016, the total full replacement value of Information and Communications Technology Assets across the Council is estimated at £9,500,000. If the asset replacement programme assumed that 20% of the assets should be replaced every year, the budget required would be in the region of £1,900,000. As the budget is not this amount, a focus on the most urgent and business critical systems and infrastructure is required, and this is the approach that is taken.

4. Detail of Programme – 2019 to 2020

4.1.

As the Council becomes ever more reliant on Information and Communications Technology, it is important that the Information Technology Capital Replacement Programme is sufficient to ensure service continuity and resilience.

4.2.

Whilst there have been considerable changes to the delivery of email services via use of Microsoft's Office 365 Cloud services, the majority of information technology services and servers are still delivered on-premise and therefore continuity, capacity, currency and resilience for these services remain a priority.

4.3.

Maintaining the information technology estate to ensure that the technology used is current, supported and reliable with the capacity to meet the continuous growth in demand is fundamental to delivering ongoing services effectively.

4.4.

Service Availability across the Council continues to improve. Periods of disruption are now less frequent, less severe and quicker to resolve. However, there is still significant work to be done in some areas as single points of dependency still exist and weaknesses in aged infrastructure will require replacements.

4.5.

Furthermore, it is relevant to note the policy obligations that the Council must maintain an information technology infrastructure that remains "in support" with the vendor. This requires that technology is replaced once a manufacturer declares the technology to have reached the end of the lifetime of the support contract for that equipment, after which point manufacturers no longer provide repairs, replacements and software updates to patch any emerging cybersecurity vulnerabilities.

4.7.

Some of the projects identified to be completed in 2019 to 2020 have been reprioritised by the IT Services Manager for reasons of changing urgency, unplanned failures, and emerging requirements. These included the acceleration of desktop and laptop replacement, the acceleration of network replacements and the deferral of the storage replacements. Both accelerations were due to the increasing priority to ensure that our infrastructure is kept current and secure and the deferral reflected the reduced urgency in replacement of the storage infrastructure now planned.

4.8.

Details of the proposed Information Technology Capital Replacement Programme for 2019 to 2020 and the proposed programme for 2020 to 2021 are attached as Annex 1 to this report.

4.9.

The Information Technology Capital Replacement Programme budget covers the replacement of personal computers, laptops and tablets, known as Desktop Infrastructure, on a rolling programme. In 2019 to 2020 the end of support of Microsoft Windows 7 places a pressure on IT and Services to complete the update of a large estate of PC’s to Windows 10 via replacement. This will see a move to more mobile devices as part of this. As a result, the allocation of the budget to Desktop Infrastructure is higher in 2019 to 2020 than usual.

4.10.

The Datacentre Replacement work this year will see progress commence on the replacement of some of the Data storage infrastructure in the Council driven by the need to ensure that data is managed securely and safely. Given the move to cloud, it should be noted that many IT systems in the Council are still delivered on-premise, and the need to retain on-premise, secure, data-storage arrangements remain.

4.11.

The Server budget covers the emergency replacement of equipment and to address any urgent areas that require remediation.

4.12.

The Network Infrastructure budget this year covers the replacement of aged wireless controllers and additional points. This equipment, which is heavily used, is unable to meet the emerging demands for good cybersecurity and increasing usage. The Firewall and Proxy Systems are key components of our cybersecurity protection at our perimeter and our connectivity to the cloud and the Internet. Pressures on increased usage and emerging demands of better resilience and stronger cybersecurity again are the drivers for change.

5. Disaster Recovery and Business Continuity

In addition to the £420,000 per annum referred to at section 3.2 above, a further £420,000 has been allocated for a 3-year ICT Disaster Recovery and Business Continuity Programme. The Disaster Recovery programme is currently in progress and being managed as an active Capital Project.

6. Corporate Governance

This report relates to the Council complying with its governance and financial process and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

7. Financial Implications

7.1.

The capital programme includes an approved provision of £420,000 in each of the financial years 2019 to 2020 and 2020 to 2021 in respect of the Information Technology Capital Replacement Programme**.**

7.2.

The Council has adopted the definition of capital expenditure and accounting procedures as contained in the Code of Practice on Local Authority Accounting. For expenditure to be considered improvement or enhancement and count as capital in nature it must lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the asset can be used.

8. Legal Aspects

The implementation of an updated IT Capital Replacement Programme will help the Council to meet its statutory obligation to secure best value.

9. Contact Officers

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10. Annex

Annex 1: Draft Information Communication Technology Capital Programme 2019 to 2020 and forecast for 2020 to 2021.

Information Technology Capital Replacement Programme 2019 to 2020

Project Name.	**Activity.**	**Reason.**	**Subtotal.**	**Total.**
Desktop Replacement.	Replace End User Desktop Infrastructure (Corporate and Schools).	Annual programme to ensure desktop/laptop end-user equipment is up to date in Councils and Schools. Major focus in 2019 to 2020 with Windows 7 going out of support.	£200,000.	£200,000.
Datacentre Replacements.	Replacement of Data Storage and SAN.	Replacement of Data Storage Devices (Phase 1 / 2).	£40,000.	£40,000.
Server Replacements.	Failures and Emergency Replacements of Capital Equipment.	Allocation to replace failures not covered by repaired, and any systems that fail future audit requirements.	£30,000.	£30,000.
Local Area Network Replacements.	Replacement of Wireless Access Controller.	Replacement of Out of Support and Incompatible Wireless Access Controller.	£50,000.	£50,000
Wide Area Network Replacements.	Replacement of Cybersecurity Monitoring Proxy Systems.	All Council Network Traffic is passed through filtering and monitoring technology that no longer meets the capacity demands and lacks resilience, so a failure of equipment effectively ceases all operations. (Phase 1 / 2).	£50,000.	£100,000
Wide Area Network Replacements.	Replacement of Firewalls.	Replacement of the older firewalls with the objective of improving resilience and failover in our internet and cloud connections.	£50,000.	
Total.				**£420,000.**

Information Technology Capital Replacement Provisional Programme 2020 to 2021

Project Name.	Activity.	Reason.	Subtotal.	Total.
Desktop Replacement.	Replace End User Desktop Infrastructure (Corporate and Schools).	Annual programme to ensure desktop / laptop end-user equipment is up to date in Councils and Schools.	£80,000.	£80,000.
Datacentre Replacements.	Replacement of Data Storage and SAN.	Replacement of Data Storage Devices (Phase 2 / 2).	£80,000.	£80,000.
Server Replacements.	Replacement of Virtual and Physical Servers.	Creation of More Resilience and Update of Virtualisation Servers.	£50,000.	£80,000.
Server Replacements.	Failures and Emergency Replacements of Capital Equipment.	Allocation to replace failures not covered by repaired, and any systems that fail future audit requirements.	£30,000.	
Local Area Network Replacements.	Replacement of Wireless Access Controller.	Replacement of Out of Support and Incompatible Wireless Access Controller.	£50,000.	£50,000.
Wide Area Network Replacements.	Replacement of Cybersecurity Monitoring Proxy Systems.	All Council Network Traffic is passed through filtering and monitoring technology that no longer meets the capacity demands and lacks resilience, so a failure of equipment effectively ceases all operations (Phase 2 / 2).	£50,000.	£50,000.
Wide Area Network Replacements.	Replacement of Phone Systems.	Replacement of Telephone Systems that are outdated ahead of BT's planned withdrawal of ISDN and PSTN.	£80,000.	£80,000.
Total.				**£420,000.**