Item: 15

Special General Meeting of the Council: 6 May 2020.

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 for financial year 2020 to 2021.

2. Recommendations

The Council is invited to note:

2.1.

That the current approved capital programme includes an annual provision of £420,000 in respect of the Information Technology Capital Replacement Programme.

2.2.

That, for financial year 2020 to 2021, the annual allocation of £420,000 has been reduced by £80,000, to £340,000, to part fund a capital project to replace the Council's telephone system across financial years 2019 to 2021.

It is recommended:

2.3.

That the Information Technology Capital Replacement Programme for 2020 to 2021, to be funded from the allocation of £340,000 per annum within the Council's current approved capital programme, attached as Annex 1 to this report, be approved.

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 allocated 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. Capital Replacement Programme

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 and replace technology once a vendor declares "end of support".

4.6.

Some of the projects which were identified to be completed in 2019 to 2020 have had to reprioritised by the IT Services Manager for reasons of changing urgency, unplanned failures, and emerging requirements. There has been an increase in expenditure in the IT Desktop replacement programme, both with the move to more mobile working and also because of the Win7 replacement programme.

5. Detail of Programme – 2020 to 2021

5.1.

Details of the proposed Information Technology Capital Replacement Programme for 2020/21 is attached as Annex 1 to this report. In a change of practice to previous years, and due to a short term reduction in capacity in the team, it has not been possible to bring forward an indicative programme for 2021/20. This programme is being developed and will be submitted to the Asset Management Sub-committee in due course.

5.2.

The total budget available in 2020/21 has been reduced from £420,000 to £340,000. This reduction of £80,000 reflects the allocation of funds from the budget to the Replacement Telephone system, recommended by the Policy and Resources Committee on 26 November 2019.

5.3.

The Information Technology Capital Replacement Programme budget covers the replacement of personal computers, laptops and tablets, known as Desktop Infrastructure, on a rolling programme. By 31 March 2020, the update of the corporate estate of PCs to Windows 10 via replacement and refurbishment will be complete. In financial year 2020/21 the focus shifts to concentrate on the curriculum estate and a replace / refurbish programme for the schools' desktop infrastructure. A small amount of the budget will be used to ensure that any older corporate desktops are replaced even though they are running Windows 10 to ensure a rolling programme is maintained.

5.4.

The datacentre replacement work in 2020/21 will see progress commence on replacement of some of the data storage infrastructure in the Council, driven by the needs to ensure that the Council's data is managed securely and safely. Despite 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. This should begin to reduce in future years, but it is likely that some on-premise arrangements will always be needed.

5.5.

The server budget covers the emergency replacement of equipment and to address any urgent areas that require remediation. Part of this budget will be used to provide two new servers for video conferencing to replace the end of life Cisco appliances.

5.6.

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. Pressures on increased usage and emerging demands of better resilience and stronger cybersecurity again are the drivers for change.

5.7.

The Wide Area Network budget will be used to maintain the Council's large and diverse wireless/fibre network. Work will also be continuing on the move from wireless technology to optical fibre technology where possible, in particular the move of the Warehouse Building, Stromness, and Stromness VTS onto the new fibre infrastructure now in Stromness. This will improve speeds and the user experience at the Warehouse Building, Stromness, including the library facilities.

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 £340,000 in financial year 2020 to 2021 in respect of the Information Technology Capital Replacement Programme. The annual allocation was reduced from £420,000 to £340,000, or by £80,000, for one year to part fund a capital project to replace the Council's telephone system across financial years 2019 to 2021.

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

Regularly monitoring and updating the IT Capital Replacement Programme helps the Council to meet its statutory obligation to secure best value.

9. Contact Officers

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10. Annex

Annex 1: Information Communication Technology Capital Programme 2020 to 2021.

Annex 1.

Information Technology Capital Replacement Programme 2020 to 2021.

Project Name.	Activity.	Reason.	Sub Total.	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. Win 7 replacement in schools and rolling replacement for corporate replacement of 14/15 plate machines.	£80,000.	£80,000.
Datacentre Replacements.	Replacement of Data Storage and SAN.	Replacement of Data Storage Devices (Phase 1/2) – last year money diverted to Windows 7 replacement.	£80,000.	£80,000.
Server Replacements.	Replacement of Virtual and Physical Servers.	Creation of more Resilience (additional DNS servers to increase resilience) and Update of Virtualisation Servers. Replacement of VC servers.	£45,000.	£90,000.
	Failures and Emergency Replacements of Capital Equipment.	Allocation to replace failures not covered by repairs, and any systems that fail future audit requirements.	£50,000.	
Local Area Network Replacements.	Replacement of Wireless Access Controller and redundant network switches.	Replacement of Out of Support and Incompatible Wireless Access Controller and redundant network switches.	£65,000.	£65,000.
Wide Area Network Replacements.	Fibre for Stromness.	Fibre for Stromness VTS and Warehouse.	£20,000.	£20,000.
				£340,000.