

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET**

Date: 20th January 2016

<u>REPORT TITLE</u>	Public Sector Hub: Expansion of ICT Facilities at Kidsgrove Customer Service Centre
<u>Submitted by:</u>	Executive Director (Resources & Support Services)
<u>Portfolio:</u>	Finance, IT and Customer
<u>Ward(s) affected:</u>	Non specific

Purpose of the Report

To seek Cabinet approval for the procurement of new and replacement ICT hardware required to expand the Council's current ICT facilities at Kidsgrove Customer Services Centre, in support of the Public Sector Hub.

Recommendations

a.) That Cabinet approve the procurement of new and replacement ICT hardware to expand the Council's current ICT facilities at Kidsgrove Customer Services Centre in support of the Public Sector Hub, as detailed in the report.

b.) That Cabinet delegates the authority to award the various contracts to the Executive Director (Resources and Support Services) in consultation with the portfolio holder for Finance, IT and Customer.

Reasons

- (a) The Civic Offices is currently the primary location for all ICT services and will be demolished as part of the Rycroft redevelopment and Public Sector Hub programme.
- (b) The proposed expansion at Kidsgrove will positively support the current site plans for the Public Sector Hub by limiting the need to occupy useable floor space with bulky ICT hardware.
- (c) The migration of ICT servers and applications to Kidsgrove will mitigate the need for a double decant when the Public Sector Hub is commissioned and is therefore the least disruptive and best cost option.
- (d) The proposal to bring forward the programme of replacement for near end of life ICT hardware will increase the efficiency and capacity of the Kidsgrove site, and ensure that the site is fully functioning before the Hub becomes operational.

1. Background

- 1.1. The Council's primary location for ICT services (network, software, hardware, applications) is the Civic Offices, which will be vacated when the Public Sector Hub is complete, prior to demolition as part of the Rycroft development. It is essential that ICT continue to provide

services as seamlessly as possible during this transition, and to ensure that a fully functioning alternative ICT site is in place in advance of the move.

- 1.2. The Public Sector Hub business case for ICT was based on the expansion of the current ICT capabilities at Kidsgrove Customer Service Centre and decanting all ICT services (hardware, software and applications) to that site. The advantages of doing this are:
 - to minimise disruption to services and users during the Hub transition;
 - to avoid a 'double decant' whereby major ICT equipment would need to be relocated twice;
 - to minimise relocation costs and timescales as much as possible, with much of the work taking place in advance of the relocation;
 - Kidsgrove Customer Service Centre is unaffected by the Ryecroft and Civic Hub proposals. The Council already has a small disaster recovery site located with the centre, and it therefore makes good sense to build on the existing ICT facilities.

2. Issues

- 2.1. An earlier proposal to undertake a 'double decant', whereby the main ICT services could be temporarily relocated to another Council site and after the build then moved to the new Hub, was discounted due to the increased cost implications and upheaval whereby services would be unavailable for potentially long periods during the relocations.
- 2.2. The existing computer room at Kidsgrove is small with limited capacity for expansion given the current size and number of servers and hardware to be relocated, and that the adjoining rooms are tenanted.
- 2.3. ICT has a programme of renewal and replacement of hardware in place over a number of years. As part of that programme, ICT have identified that some of the existing equipment that would need to be transferred to Kidsgrove will reach its end of life during the next 12 to 18 months.
- 2.4. Unlike the Civic Offices, Kidsgrove Customer Service Centre does not have a power generator in place for resilience purposes. Works to install a generator would be essential if all primary ICT services were to relocate to Kidsgrove to ensure that these services continue in instances of a mains power supply failure.

3. Proposal

To proceed with the purchase of new and replacement hardware and services to expand the ICT capacity at Kidsgrove Customer service Centre on the basis detailed in the report.

4. Reasons for Preferred Solution

- 4.1. All new and replacement ICT equipment can be procured to fit within the footprint of the existing Kidsgrove computer room thereby avoiding any building works or displacement of tenants. This is due to recent improvements in the size and capabilities of servers.
- 4.2. Bringing forward the anticipated hardware replacement programme for the next 12 -18 months as part of the expansion will ensure that the Council has the most efficient, up to date and tested hardware in place before the Hub becomes operational. This avoids the need to revisit these needs during and immediately following the move to the Hub.

- 4.3. Although the pricing will be set within individual Frameworks, economies of scale in procurement (i.e. from new and replacement equipment being purchased at the same time) means that opportunities to deliver cost reductions are likely.
- 4.4. The Public Sector Hub will become the Council's ICT Disaster Recovery site, with similar capacity to that currently available at Kidsgrove. This will ensure that ICT equipment and hardware take up minimal premium floor space in the new Hub.

5. Financial and Resource Implications

- 5.1. The costs shown in the table below represent the total costs to provide all primary ICT Services at Kidsgrove.

These are shown as:

New Costs: The new costs detailed in Public Sector Hub business case specific to the expansion at Kidsgrove. These costs can be met from the Public Sector Hub budget.

Planned Replacements: The costs for replacing existing ICT equipment as part of the anticipated maintenance and replacement programme during the 2016-2018 financial years which it is proposed to bring forward. This equipment will be needed to supplement the new equipment at Kidsgrove. These costs can be met from existing allocations in the ICT Development Fund.

	New Costs	Planned Replacements	Overall Costs
<i>Storage</i>	£86,203	£110,000	£196,203
<i>Servers</i>	£37,434	£42,000	£79,434
<i>Clean Power</i>	£35,500		£35,500
<i>Networking</i>	£37,900	£9,500	£47,400
<i>Environmental Monitoring</i>	£5,000	£0	£5,000
Total	£202,037	£161,500	£363,537
Specialist Support Costs	£10,000	£0	£10,000

- 5.2. Whilst it is noted that the total costs for Storage equipment will exceed EU Procurement thresholds, officers have identified compliant Frameworks negating the need for a full procurement process.
- 5.3. The financial regulations and standing orders with regards to contracts will be adhered to and Cabinet is requested to delegate authority for the award of the various contracts to the Executive Director (Resources and Support Services) in consultation with the portfolio holder for Finance, IT and Customer.

6. Major Risks

The major risks are identified as:

1. Budget overrun;
2. Reliance on a single network link & the associated business continuity implications;
3. Insufficient time to complete the works;
4. Insufficient space in the Kidsgrove computer room;
5. The Public Sector Hub programme is aborted.

A full Risk Assessment is available on request.

7. Outcomes linked to Sustainable Community Strategy and Corporate Priorities

The expansion supports becoming a 'Cooperative Council delivering high quality community driven services' by :

- enhancing the delivery of co-ordinated, multi-agency services through the Public Sector Hub;
- recognising the importance of the Kidsgrove site in supporting the Public Sector Hub.

8. Earlier Cabinet Resolutions

Council, 23rd September 2015. Minute relating to Item 7: Proposed Newcastle under Lyme Public Sector Hub.