

Drawdown of funds for Data Centre Equipment Lifecycle Replacement project

Decision maker: Director of Resources and Assurance

Decision date: 22nd September 2023

Report by: Senior Project Manager

Classification

Part exempt

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To agree to spend of allocated budget set out within the 2023/24 capital programme set aside for the Data Centre Lifecycle Replacement project which has already been approved in the capital programme.

Recommendation(s)

That:

- a) To spend up to the £329,000 for the Data Centre Lifecycle Replacement project
- b) Authority be delegated to Head of ICT to make all operational decisions to implement the project (as set out in paragraph 8 below).

Alternative options

1. Do Nothing - Will place the council at risk of data confidentiality, integrity and availability breaches or risks due to the increased probability for cyber security or hardware failure incidents.
2. This probability will increase over time and is almost certain to occur in the future particularly in respect of hardware failure due to 'manufacturer mean time to failure' timescales (i.e. there is an understanding that equipment has an expected lifespan and will fail beyond this)
3. For this reason, this option is Rejected

Key considerations

4. The council runs a modern IT network to operate and support its service delivery. In order to maintain a secure and efficient infrastructure environment an assessment of the council's IT infrastructure was undertaken. This work identified a need to modernise.
5. Following that work an initial business case was developed and submitted to full council. Funding was agreed and allocated in the 2023/24 budget.

[https://hc-modgov.herefordshire.gov.uk/documents/g8671/Public reports pack Friday 10-Feb-2023 10.00 Council.pdf?T=10](https://hc-modgov.herefordshire.gov.uk/documents/g8671/Public%20reports%20pack%20Friday%2010-Feb-2023%2010.00%20Council.pdf?T=10)

- 6.
7. Approval to spend the budget is now needed to commence implementation of the Data Centre Lifecycle project. .
8. The council's IT department will maintain overall responsibility for the project; however technical implementation will be led by Hoople Ltd, IT services, who will use the services of contracted third parties as well as internal resource. All contracted third party resources will be acquired in accordance with the council's contract procedure rules.
9. The project will, where necessary:
 - Replace current equipment with 'in life' equipment which is actively supported by the supplier particularly for vulnerability patches:
 - Replace like for like with equipment that meets the current compatibility and support requirements for the infrastructure including additional overhead to mitigate against capacity growth throughout the first 5 years of operation:
 - Provide support and maintenance contract with the manufacturer or partner:
 - Decommission and dispose of outgoing equipment in line with the authority's security and environmental policies, and FPRs

Community impact

10. The County Plan ensures our essential assets, including IT, are in the right condition for the long- term, cost-effective delivery of services. The council has committed to deliver against bold and ambitious plans and, by working with our local and national partners, we seek to continue to improve the quality of life for the county's residents.

Environmental Impact

11. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
12. Whilst this is a decision on IT infrastructure and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

- 10 Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 11 The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

16. The request is to spend the allocated budget of £329,000 to enable delivery of the Data Centre Lifecycle project
17. The funding has already been approved and included in the 2023/24 capital programme. The funding of £329,000 will be spent in 2023/24 financial year.
18. The detailed breakdown of the resource allocation is attached in the table below:

Capital cost of project	2023/24	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000	£000
Equipment	235				329
Project management	17.5				
Procurement Support	4.5				
Engineering	27				
Contingency	45				
TOTAL	329				329

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2023/24	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000	£000
<i>Corporate Funded Prudential Borrowing</i>	329				329
TOTAL	329				329

Revenue budget implications	2023/24	2024/25	2025/26	Future Years	2025/26
	£000	£000	£000	£000	£000
Support and Maintenance (assume 20% of equipment costs per annum)	50	50	50	50	200
TOTAL	50	50	50	50	200

Legal implications

- All related third party contracts must be procured in accordance with the Council's own contract procedure rules and appropriate contractual documentation put in place to protect the Council's interests.

Risk management

20. The key risks associated with the options outlined in the paper are as follows:

Risk	Mitigation
Engineering Resource	Reprioritise other work or engage professional services dependent on the prevailing risk encountered
Implementation Delay	Should any implementation delays occur, then additional mechanisms may have to be implemented to mitigate any risk. Each prevailing risk will be reviewed and scored. Mitigation will be agreed dependent on the score and ability to treat or resolve within the context of the project delivery.
Supplier Cost	Post Covid Pandemic the IT industry is seeing huge increases in the costs of software licensing and professional services. Additional contingency is built into the project but best value will be sought wherever possible.

17. Risks are managed according to the council's risk management framework, aligned with corporate risk strategy and recorded on a service risk register, being escalated to the directorate or corporate risk register according to the significance of the risk.

Consultees

18. No consultation has been completed as this is a decision to draw down funds only.

Appendices

None.

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 04/09/2023
Finance	Karen Morris	Date 08/09/2023
Legal	Sean O'Connor	Date 30/08/2023
Communications	Luenne Featherstone	Date 31/08/2023
Equality Duty	Harriet Yellin	Date 07/09/2023
Procurement	Carrie Deeley	Date 05/09/2023
Risk	Kevin Lloyd	Date 07/09/2023

Approved by Andrew Lovegrove Date [Click or tap to enter a date.](#)