

Drawdown of funds for VMWare Host Replacement project

Decision maker: Director of Resources and Assurance

Decision date: 5 July 2024

Report by: Senior Project Manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To seek agreement to draw down the £247,500 funds identified in the 2024/25 capital budget to replace the ageing computer server equipment with manufacturer supported equipment, to allow security and operational integrity to be maintained, in line with emerging vulnerabilities and Cyber Security threats.

Recommendation(s)

That:

a) Agreement to draw down the funds identified in the 2024/25 capital budget (£247,500) to replace ageing server hosting equipment;

b) Authority be delegated to the Herefordshire Council Head of ICT and Digital to take all operational decisions to implement the above recommendation.

Alternative options

1. The council could decide not replace the VMWare. This option is not recommended as the risk of security and hardware failure will increase over time. Risk of security compromise will increase over time as cyber security threats and vulnerabilities for the ageing technologies emerge.

Key considerations

2. Replacement SAN equipment will include the manufacturers support contract which will:
 - a) Ensure continued Cyber Security protection through manufacturer support for vulnerabilities (i.e. loss of data or disruption to service through Ransomware, Malware & Virus exploitation)
 - b) Continued hardware failure protection through manufacturer support for parts and components (i.e. loss of data or disruption to service through catastrophic hardware or component failure)
 - c) Continued feature support through manufacturer software development. Potential for cost avoidance associated with exploitation of advances in technology.
 - d) Reduces risk for potential loss of Confidentiality, Integrity and Availability of Council key Data due to Cyber Attack or Catastrophic Hardware Failure.
 - e) Protects the Council's Data and Service Delivery obligations through fit for purpose equipment.
 - f) Provides operational efficiencies with opportunity for reduced power consumption and improved performance due to technology advancement in modern solutions.
 - g) Additional overhead to support future data growth/transformation in line with current planning.
 - h) Operational and support costs will increase over time as compatibility with other equipment reduces overtime (i.e. obsolescence).
 - i) The council will no longer be able to maintain the security posture and compliance certifications expected of a Local Authority.
3. Hoople Limited will be commissioned to complete the work on behalf of the council as the IT support provider to the council
4. Award of contract for the replacement hardware and ongoing support and maintenance following a compliant procurement process. Procurement will be through an approved Local Government Procurement Framework (Crown Commercial Services or similar) to ensure that best value is demonstrated.

Community impact

5. Whilst there is no direct community impact resulting from this decision, replacing VMWare supports the council in ensuring its essential assets, including IT, are robust and suitable for the long- term to ensure cost-effective delivery of services to staff and residents.

Environmental Impact

6. The 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.

7. Whilst this is a decision on back office functions 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

8. 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.
9. The tender document we will be using covers off a number of different areas/Acts/insurances etc with one of the sections including Equality and Diversity. It is a 'Pass/Fail' question. If suppliers do not answer this section satisfactorily, they will fail this procurement.

Resource implications

10. The request for approval to spend the £247,500 will enable the procurement of third party services with the relevant expertise, hardware and migration.
11. The funding has already been approved and is included in the 2024/25 Capital Programme.
12. There are no changes to the revenue budget to manage this software.

Capital cost of project	2024/25	2025/26	2026/27	Future Years	Total
VMWare Host Replacement	£000	£000	£000	£000	£000
<i>VMWare equipment</i>	200.5	0	0	0	200.5
<i>Implementation costs (including internal staff fees)</i>	40.0	0	0	0	40.0
TOTAL	247.5	0	0	0	247.5

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2024/25	2025/26	2026/27	Future Years	Total
	£000	£000	£000	£000	£000
<i>Corporate Funded Borrowing capital</i>	247.5				247.5
TOTAL	247.5	0	0	0	247.5

13. The business case, approved in the 2024/25 capital budget: [2024/25 Capital Programme Business Cases](#)

Legal implications

14. There are no specific legal implications in this report.

Risk management

Risk / opportunity	Mitigation
Due to the lack of engineering resource the hardware and migration are not completed in a timely manner	Reprioritise this and other work to ensure work completed in necessary timescales
Costs of replacement works – any cost on reinstatement works may rise with inflation	Gain competitive quotes for work and explore the requirements needed
Not proceeding with the VMWare Host replacement	The VMWare Host must be replaced to mitigate the risk of security and hardware failure, which will increase over time. Risk of security compromise will increase over time as cyber security threats and vulnerabilities for the ageing technologies emerge.

Consultees

15. Consultations have taken place with the Cabinet member finance, corporate services and planning.
16. This paper and the recommendations contained within it incorporate comments received during the above consultations.

Appendices

[2024/25 Capital Programme Business Cases](#)

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 04/06/2024
Finance	Karen Morris	Date 28/05/2024
Legal	Sean O'Connor	Date 28/05/2024
Communications	Luenne Featherstone	Date 31/05/2024
Equality Duty	Harriet Yellin	Date 31/05/2024
Procurement	Carrie Christopher	Date 31/05/2024
Risk	Jessica Karia	Date 28/06/2024
Approved by	Andrew Lovegrove	Date 28/06/2024