

# **Title of report: ICT systems upgrades & server replacements**

**Decision maker: Cabinet Member for Finance and Corporate Services**

**Decision date: 27 March 2025**

**Report by: Head of ICT & Digital**

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards affected**

(All Wards);

## **Purpose**

To seek agreement to draw down the £500,000 funds identified in the 2025/26 capital budget to enable the Council to deliver its Digital Data & Technology strategy 2024 – 2028 (DDaT Strategy) and provide digital transformation by providing a stable, modern and fit for purpose infrastructure. To ensure that security and operational integrity be maintained, in line with emerging vulnerabilities and cyber security threats.

## **Recommendation(s)**

**That:**

**a) the funds identified in the 2025/26 capital budget (£500,000) be drawn down for ICT systems upgrades and server replacements;**

**b) Authority be delegated to the Director of Strategy and Performance to take all operational decisions to implement the above recommendation.**

### **Alternative options**

1. The council could decide not to replace our servers or upgrade our ICT systems. This option is not recommended as the risk of security compromise will increase over time as cyber security threats and vulnerabilities for the ageing technologies emerge.

### **Key considerations**

2. Upgrading our ICT systems and replacing servers will bring vast improvements for our staff and residents in line with our Digital Data and Technology strategy and to enable us to become a modern council.
3. Updating our ageing GIS software to the latest version will ensure manufacturer support and maintaining security and operational integrity. This is crucial to protect against emerging vulnerabilities and cyber threats, providing a stable and secure infrastructure for key line of business systems
4. The introduction of a Security Incident and Event Monitoring (SIEM) Solution will enhance the council's ability to detect, analyse, and respond to security incidents in real-time. This will improve data protection, ensure compliance with cybersecurity regulations, and reduce the risk of data breaches and service disruptions
5. Replacing our current CCTV case management system will ensure security and operational integrity, supporting the council's obligations to maintain a secure and compliant IT environment
6. Updating our Civica Software will ensure compliance with any regulatory requirements and reduce the risk of non-compliance with our Public Services Network (PSN) duties (to provide a secure network).
7. Investment in ICT Systems that offer Artificial Intelligence opportunities, will support staff in delivering services more efficiently.
8. Through migrating data into the Microsoft 365 (M365) Cloud, it will enhance data security with advanced encryption and compliance features. This migration will improve collaboration, reduce the need for on-premises infrastructure, and provide cost savings.
9. Hoople Limited and other third parties will be commissioned to complete the work on behalf of the council with direction and support from the Head of ICT and the council's Transformation team.

### **Community impact**

10. Replacing servers and updating ICT Services 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.

11. In alignment with the DDaT Strategy, this initiative will enable us to attain the status of a modern council that provides digital services to its residents and staff.

## **Environmental Impact**

12. 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.
13. 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**

14. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
15. The mandatory equality impact screening checklist has been completed for this decision and it has been found to have low impact for equality.
16. Due to the potential impact of this decision being low, a full Equality Impact Assessment is not required. However the following equality considerations should be taken into account when making a decision about this activity/project:
  - a. The introduction of new technology will have an impact on staff and service delivery.
  - b. ICT systems that incorporate AI capabilities will enhance our service delivery efficiency by supporting the accessibility and neurodiversity needs of our staff. During the pilot phases of any AI products under consideration, we will ensure that feedback on accessibility is thoroughly evaluated to inform future decisions regarding the procurement of this technology.

## **Resource implications**

16. The request seeks approval to draw down and spend the £500,000 will enable the procurement of third-party services with the relevant expertise to carry out this work.
17. The funding has already been approved at the budget Council meeting, 7 February and is included in the 2025/26 Capital Programme.

<b>Capital cost of project</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Upgrade of GIS service software	65				65
SIEM solution Hoople	32				32
CCTV systems hardware replacement	20				20
Upgrade of Civica software	65				65
ICT systems with AI capabilities	151				151
Contingency	68				68
Migrating Data into M365 Cloud	99				99
<b>TOTAL</b>	<b>500</b>				<b>500</b>

<b>Funding streams</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Corporate Funded Borrowing	500				500
<b>TOTAL</b>	<b>500</b>				<b>500</b>

<b>Revenue budget implications</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>Future Years</b>	<b>Total</b>
	£000	£000	£000	£000	£000
SIEM solution Hoople	68	68	68	68	272
Supplier support for the CCTV systems hardware	-	1.6	1.7	1.8	5.1
<b>TOTAL</b>	<b>68</b>	<b>69.6</b>	<b>69.7</b>	<b>69.8</b>	<b>277.1</b>

**\*Revenue implications associated with ICT systems with AI opportunities will need to be assessed as projects come forward**

## **Legal implications**

- There are no direct legal implication arising from the decision. Any subsequent procurements will be carried out in accordance with the Council's Contract Procedure Rules and the Procurement Act 2023.

## Risk management

Risk	Mitigation
<p>Risk - not approving the draw down of funds will place the authority at risk of not meeting the digital ambitions it has set out in the Council's Digital, Data &amp; Technology strategy 2024 – 2028</p>	<p>Whilst the Council can continue deliver its services, the ambitions and opportunities outlined within the Digital, Data and Technology Strategy will not be fully realised</p>
<p>Risk - We will not take the opportunity to reduce the likelihood of a cyber-attack on our network as we will not embrace the opportunities the replacing of servers and upgrade of ICT Systems would provide to shore up our defences to this type of malicious activities</p>	<p>Whilst the Council has Cyber Defence systems and policies in place, this area is an ever revoving threat so the oppurtunities this draw down of funds would provide would allow us to improve our current defences and mitigate against futre vunerabilities.</p>
<p>Business Continuity &amp; Service Disruption Risk - Potential downtime or disruptions to critical council services during system upgrades and server replacements.</p>	<p>Mitigation - maintain backup systems, and conduct rigorous testing before full deployment</p>
<p>Data Integrity &amp; Migration Risks Risk - Risk of data loss or corruption during system migration.</p>	<p>Mitigation- comprehensive data backup and recovery plans, conduct pre-migration testing? and ensure rollback procedures are in place.</p>
<p>Financial Risks &amp; Cost Overruns Risk- Unforeseen costs, price increases, or additional infrastructure requirements exceeding budget.</p>	<p>Mitigation- Regular financial monitoring, clear contracts with cost control measures, and consideration of long-term sustainability.</p>
<p>User Adoption &amp; Training Risk- Staff resistance or lack of capability to adapt to new systems, leading to inefficiencies.</p>	<p>Mitigation- Implement a structured training and change management programme to ensure smooth adoption and transition?</p>

19. The above risks will be managed within the respective projects in line with project management

## Consultees

20. Political groups were consulted on 14th March 2025.

The following comments were noted:

A. Any Council data that resides in M365 Cloud would always remain the property of the Council, with Microsoft merely hosting it on the Council's behalf. The Council would still maintain an independent backup of this cloud-hosted data and would not rely on Microsoft to provide a backup if the data became unavailable.

B. Replacement GIS software that the Council implements would integrate into our current systems and would also allow integration into any ICT systems purchased in the future.

C. Engagement with stakeholders on any potential ICT systems would take place. Also, training of our staff in how to use any new systems would be provided.

D. Once full migration into M365 takes place, staff will be able to access their emails and M365 content in a secure way from non-Herefordshire Council devices.

E. An overview of potential systems that use Generative AI to assist staff and/or manipulate data was discussed as potential options the Council may consider in the next 12 months.

F. A consideration for the Council could be to ascertain if they have the right level of investment in data analysts and data scientists to make the best use of AI technology.

21. The above feedback will be considered, where appropriate, and will be shared with the wider stakeholders in ICT and Transformation.

Appendices:

Appendix 2 - The Outline Strategic Business Case for the ICT systems upgrades & server replacements is included as a background paper. Funding for this business case was approved and is included in the 2025/26 Capital Programme.

## Background papers

None

## Report Reviewers Used for appraising this report:

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

Governance	John Coleman	Date 06/03/2025
Finance	Wendy Pickering	Date 03/03/2025
Legal	Sarah Halliwell	Date 07/03/2025
Communications	Luenne Featherstone	Date 03/03/2025
Equality Duty	Harriet Yellin	Date 03/03/2025
Procurement	Claire Powell	Date 03/03/2025
Risk	Paige McInerney	Date 06/03/2025

**Approved by Rosie Thomas-Easton Date 07/03/2025**

**Please include a glossary of terms, abbreviations and acronyms used in this report.**