

CAPITAL APPROVAL OFFICER DELEGATED DECISION – PROVISIONAL TO FULL APPROVAL

Links:

To log an Officer Delegated Decision you will need to populate the form on:

http://intranet_sites/decisionsinput/officerenterdata.asp

This decision is guided by the Budget Management Scheme, which can be found on the finance intranet pages:

<http://intranet/council-finance>

Process Requirements:

The decision must be made by the Chief Executive/Corporate Director.

These decisions require approval of the s151 Office, or delegate, and as such a draft of the wording should be circulated prior to submission.

On submission the tick box to show consultation with the s151 Officer should be selected.

In addition consultation must be carried out with the Portfolio Holder for Finance and Efficiency and the appropriate Portfolio Holder.

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Please use the following pro-forma to circulate the draft decision prior to uploading. This reflects the requirements of the decision register and therefore once agreed information can be lifted directly from this template to the decision.

There is included below both a blank pro-forma and a populated form, which includes prompts and comments as to the key information that will be required for all decisions.*

** Please note that this is not exhaustive and further information could be required to enable s151 approval.*

Both the Corporate Director and s151 Officer reserve the right under the delegation approval to raise the requirement to a formal member decision should the need arise.

CAPITAL APPROVAL OFFICER DELEGATED DECISION FORM

Officer Name:	Tracey Long						
Director Title:	Martin Shields						
Service Area:	Digital and Customer Services						
Decision Maker:	David Trethewey						
Date of Circulation:	19 th March 2019						
Details of Decision:							
<p>To fully approve capital amounting to £1,471,000 from the provisional capital programme item IT Asset & License Refresh Programme 2019/20 to upgrade all the council's IT infrastructure to Windows 10 for desktops and Windows 2012 Server before all support ends on 14th January 2020.</p>							
Reason/Rationale for the Decision:							
<p>In January 2020 all Microsoft support for Windows 7, MS Office 10, Microsoft Exchange Email and Windows 2008 server ends. This means all upgrades and Security patches for new vulnerabilities will no longer be issued to protect these key council systems. This would result in the council would lose its central government PSN accreditation to process anything from central Government agencies including revenues and benefits, no access for Public Health and other services to the NHS spine and no access to CPIS for Children's social care etc. We therefore need to implement Windows 10 across our IGel, Pc, Laptop and Home working portal infrastructure. As our current portfolio is now 5 to 7 years old our desktop and server hardware also needs replacing to implement Windows 10 before the deadline. Our Microsoft License Enterprise Agreement also expires in June 2019 exposing us to an annual £450,000 charge compared to the existing £214,000 annual revenue charge therefore we need to buy out of the current agreement before the expiration date to mitigate this doubling of charges. Discussions at central government level have gone nowhere with this issue so we have no other option.</p> <p>Project Outcomes:</p> <ul style="list-style-type: none"> • Deliver a Secure Supported Windows 10/Office 2016 desktop environment • Avoids loss of PSN accreditation and associated impact • Allows for continued cross sector working and secure data sharing • Reduce exposure to huge annual revenue increase in Microsoft licensing 							
Financial and budget implication:							
<p>This decision will approve capital programme for expenditure. The profile of spend anticipated is £1,471,000 for the 2019/20 financial year.</p>							
Project Spend Areas	Total Approval	2019/20	2020/21	2021/22	2022/23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
IT Asset Refresh - Hardware	1,215	558	80	2	75	500	

IT Asset Refresh Fees – External Consultants	80	15	18	19	14	14	
IT Asset Refresh - Internal Staff Costs - Backfill	410	177	27	29	21	156	
Microsoft License Fees	721	721					
Total Approval	2,426	1,471	125	50	110	670	

The capital expenditure is funded by CSB for the IT Refresh elements and Service Supported borrowing for the Microsoft licensing element. Service Supported Borrowing costs amount to £114k per annum.

The revenue impact from this decision is Digital and Customer Services have been advised by Finance that the Microsoft Licensing element must be repaid by service supported borrowing however this will impact on our Revenue budgets paying for an item that all Corporate Services use and is essential for the entire council to function so it is debatable that this additional cost pressure should sit with just one service area.

Revenue Cost / Income Cat	Total Approval	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Supported Borrowing @2.5%	798	114	114	114	114	114	114
Total Approval	798	114	114	114	114	114	114

RISKS	
Key Risks to Project	Mitigating Actions
Inability to retain current highly skilled technicians and fill existing vacancies	Bring in agency staff
Project delivery overrun meaning out of support	Project Manager and board appointed. Regular updates/meetings and progress plans are in place so that issues around deliverables and challenges can be dealt with as soon as possible.

Funding not in place due to council's financial position	Strong business case in place and considerable impacts on multiple services' ability to operate within the law and provide statutory services mean there is only an extreme likelihood of this happening.		
Delays through procurement process	IT Services have 2 highly experienced Business Support staff with several years' experience producing tenders and using government frameworks to deliver capital projects and ongoing savings.		
Other issues addressed in reaching this decision:			
Social Inclusion		Disability Equality	
Customer Focus		Other Equality	
Sustainability		Human Rights	
Human Resources		Corporate	
Property		Other Legal	
Young People			
Details of Other Options Considered:			
<p>We have been looking at alternatives since 2017 and engaged Microsoft to look at Cloud Services however costs for hosting just a small element of our complex corporate IT environment came to £500k pa so considerably more than hosting internally. We have also challenged Microsoft on a number of occasions regarding increasing their License charges from £215k to £450k per annum and as other LA's and Central Government have found they will not negotiate their pricing strategy. Unfortunately they are a monopoly so we have no alternative than to choose the cheaper buyout option and sweat our License assets until their end of life in 2025.</p>			
Details of Consultation:			
Portfolio Holder for Finance and Efficiency		Service Portfolio Holder	
Ward Members		Service Users	
Parish/Town Council(s)		Trades Unions	
Local Residents		Charter of Trustees of Bath	
Community Interest Groups		Other Services in B&NES	
Monitoring Officer		Section 151 (Finance Officer)	X
Head of Paid Service (CX)	X	Other	
Youth Council			
Other Relevant Comments:			