

BATH AND NORTH EAST SOMERSET COUNCIL
Project Initiation and Appraisal Form

Project ref:	00000/Corp/R&SS/19				cover
Project title:	IT Asset & License Refresh Programme 2019/20				
Portfolio:	Corporate (CX)	Ref:	<i>no.</i> Corp	<i>portfolio</i> R&SS	<i>service</i> 19
Dept/Service area:	Transformation	Sponsor:	Mike Bowden		
Value £('000):	£ 1,705	Project approval year:	2019	Start:	01-Apr-19
				Finish:	31-Mar-20

<i>Approval level of sign off (monetary limited)</i>		<i>Dates approved/signed off (signature required)</i>			
	Author:	Stuart Batson	Date:	13-Nov-18	
>£250k	Sponsor:	Tracey Long	Date:		
<£250K	DD:	David Trethewey	Date:		
	Finance Officer:	Karen Flint/Sue Leader	Date:		

DECISIONS / RECOMMENDATIONS

Has Project Sign Post been updated on the Intranet?		<i>Date recommended for approval/signed off</i>
YES	NO	Date:

FORMAL APPROVAL

Single Member / Cabinet			
REF:	Charles Gerrish	Date:	

COUNCIL PRIORITIES - Explain how this project will meet the Council's priorities

*We store resident's data and host the systems that enable our staff and partners to efficiently and securely access information 24*7 365 days a year from anywhere whilst enabling and supporting front line and back office services to respond quicker to meet our 3 core council priorities*

OBJECTIVES, OUTCOMES & CONSEQUENTIAL IMPACTS OF PROJECT/PROGRAMME

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 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.

- Project Outcomes • 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

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PROJECT DESCRIPTION

This project is to enable us to upgrade to Office 2016, Windows 10 and Windows 2012 server before the January 2020 deadline for expiry of these products and associated security updates and associated hardware. This includes the replacement of the Keynsham Storage Area Network which stores all applications and data associated with council staff in Keynsham. It also includes replacing 150 pc's and 100 laptops which are now between 5 and 7 years old and unable to be upgraded to Windows 10. IT services have continued to sweat these assets past their recommended useful life to save council money and look at alternative solutions however we are now in a position where this strategy is no longer viable and replacement hardware and software need to be in place before the stated deadline. It also reduces some of the increases in Microsoft License costs.

GOVERNANCE & WHAT IS YOUR DECISION MAKING PROCESS (Please refer to the Democratic Process for getting on the forward plan)

RISKS

<i>Keys Risks to Project</i>	<i>Mitigating actions</i>
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	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.

KEY MILESTONES

<i>Description</i>	<i>Date</i>
Upgrade 120 Windows 2008 servers to Windows 2012 Server	14-Jan-20
Replace Keynsham Storage Area Network with new Application and Data Storage solution	14-Jan-20
Replace 250 Pc's and Laptops with Windows 10 capable devices, Upgrade 150 Pc's and Laptops to Windows 10	14-Jan-20
Upgrade Email servers and Office 2010 to 2016 versions	14-Jan-20
Buy out of Microsoft License EA scheme and capital purchase of licenses	30-Jun-19

OPTIONS

<i>What other option(s) were considered?</i>	<i>Why is the option chosen preferred?</i>
IT Services engaged with Cloud provider Greymatter and Microsoft to look at the feasibility of a cloud based solution moving forward and continue with the renewal of the Microsoft License Enterprise Agreement	The cost of moving to a cloud based solution was considerably more in terms of both capital and revenue impacts and a considerable amount of hardware would still have been required onsite so financially keeping assets inhouse was deemed a more cost effective and flexible solution. The Microsoft License Enterprise Agreement will increase annual revenue costs by £236,000 per year.

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REQUIRED INTERNAL CONSULTATION	
Resource, Finance & Support Services	Service Delivery Manager engaged in dialogue with Capital Projects Finance Officers and full costings produced. Emerging Capital Projects not included in current 5yr Capital Programme paper submitted in August 2018
Property / Maintenance	Electricity and other Facilities management requirements will not increase as a result of this work. Every effort will be made in the tender documents to reduce energy consumption through the specification of the kit.
Sustainability / Carbon Management	Tender document will stipulate energy efficiency requirements as a must with suppliers asked to demonstrate how they meet this requirement
Place (including Planning)	N/A
Education Services	N/A
Adult Health, Social Care & Housing	N/A
Project Delivery	N/A
What is the Procurement Strategy	All items will be procured by formal tender - some items will need to go through OJEU
Discussion Cabinet / Ward Member/s	N/A

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STATUTORY CONSULTATION

What were the outcomes of the following statutory consultations? Name person(s) consulted

Planning Authority	N/A
Highways Authorities	N/A
Avon Act	N/A
Environment Agency	N/A
Other/s	N/A

EXTERNAL CONSULTATION

What consultation has been undertaken, with whom and what was the outcome?

We have consulted with Microsoft and their partner GreyMatter to explore moving our assets to the cloud however the costs came in at £500,000 per annum and this did not cover all infrastructure so over 5 years this option would have substantially increased our revenue spend therefore was discounted. Regarding licenses we have consulted with Microsoft and their partner Softbox who have advised us that costs for renewing the current Microsoft License Enterprise agreement over 6 years will be £2,705,000 compared to the current £1,320,000 we would have spent if prices remained the same. They have advised us to buy out of the Microsoft License Enterprise agreement at a capital cost of £721,000 and where products are not available to buy out to sign a subscription solution for the Homeworking and Database client licenses costing £200,000 per year therefore totalling £1,921,000 over 6 years avoiding £784,000 additional costs over 6 years. Unfortunately we will still incur £601,000 of costs over 6 years compared to what we currently pay.

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FINANCIAL EVALUATION - CAPITAL

1) Capital Project Cost

	Total Project/ Programme Cost	2019/20	2020/21	2021/22	2022/23	2023/24	Future years
Description		£'000	£'000	£'000	£'000	£'000	£'000
IT	1,215	558	80	2	75	500	
Fees - external	80	15	18	19	14	14	
Fees - Internal	410	177	27	29	21	156	
Other	721	721					
	-						
	-						
Total Project Capital Cost	2,426	1,471	125	50	110	670	-

2) Capital Project Funding

	Total Funding	2019/20	2020/21	2021/22	2022/23	2023/24	Future years
Description	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Supported Borrowing (Headroom)	2,426	1,471	125	50	110	670	
Government / EU Grant							
Scheme Specific Receipts e.g. see comments box	-						
General Capital Receipts	-				-		
RTB Receipts	-						
Revenue	-						
Service Supported Borrowing	-						
Capital Contingency	-						
S106	-						
Other 3rd Party	-						
Total funding	2,426	1,471	125	50	110	670	-

3) *Describe specific source of capital funding (see comments box)

Corporate Supported Borrowing.

4a) What have you considered re VAT?

VAT is not included in the the figures - costs are all net of VAT

4b) What have you considered re Whole Life Costing

Yes based on an asset life of 5 years for the hardware however the opportunity exists to sweat assets which though would have an impact on revenue cost moving forward, we would again consider as we have

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previously on a case by case basis to save money. As for the Microsoft License Enterprise Agreement the product life is 6 years (Oct 2025 Expiry) so over this period the council avoids an additional £785,000 of revenue charges from Microsoft.

