Report to Executive Board: 19 August 2002
Major Project: PC and server improvement programme

Report of:	*IS Infrastructure Manager,* Information Systems	*WARDS AFFECTED* **All**

Report Author: *Mike Primett, IS Infrastructure Manager*
T: 01865 252092   E: mprimett@oxford.gov.uk

Lead member   *Cllr Bob Price*
Responsible: Portfolio Holder for Property and Information Technology

Overview &   *Finance and Performance Management Overview and Scrutiny*
Scrutiny Committee:

Key Decision: *YES*
SUMMARY AND RECOMMENDATIONS

This report provides a briefing on the proposed expenditure plan for the £445,000 allocation from the capital programme for 2002/2003 for PC replacement/upgrade and server replacement.
The expenditure is required owing to a lack of investment in the past and the need for updating the Council's PC and server infrastructure to a level which can support modern applications and working methods and to support the introduction of e-Government initiatives.
The expenditure contributes to the Council's Vision of Sound Management.
There are financial and staffing implications as set out in the report.

The Executive Board is ASKED to:
   Grant major project approval the scheme for 2002/2003 subject to a full report being made to the Board upon the phasing of the expenditure once this is known.

Major Project: Spending proposals

A bid was made last year for Council funds of £905,700 to fund the full replacement or upgrading of all Council PCs to a Windows 2000 standard, the consolidation of all central servers and the replacement of old printers. The breakdown of these costs can be seen in Table E. This bid was unsuccessful in full but provision has been made from the capital programme as detailed below.

An allocation of £445,000 has been made from capital and £25,000 from Revenue for the financial year 2002/2003. A further £450,000 has been included in the capital programme for this project in 2003/2004 as an unfunded item. A proposed spending plan for these amounts is detailed in Table D.

1. Aims of the Project

The Council's PC infrastructure has been lacking investment over the past 6 years, especially since the central Equipment Replacement budget of £120,000 per annum was taken as a saving 4 years ago. This has led to a situation where a large proportion of the PCs and underlying infrastructure need to be replaced.

The PC and Server Improvement Programme has a number of aims:

a) Improved software capability
This project will provide staff with computers able to run modern software and to enable the pursuit of e-Government initiatives as required by the Government through more collaborative working practices. The former is driven by the need for greater functionality provided by the latest versions of application software, which contributes towards an improvement in service delivery.

b) Continuation of support from suppliers
Many of the versions of software we currently run either are or will be shortly unsupported by Microsoft and consequently by the software providers – e.g. Uniform used in Planning, Building Control, Land Charges and Environmental Health; Anite document imaging used in Revenues; Agresso, the financial system used throughout the Council. These suppliers are urging us to move Council PCs onto more modern versions of Microsoft software.

Without this action the Council will be left with a majority of its PCs running in an unsupported environment, which means that we cannot obtain help if software does not work as expected.

c) Standardization of PC environment
Industry best practice, backed up by external consultancy, recommends that we improve standardization of the PC environment. This will help to reduce maintenance, support and administration costs, and to improve collaborative working.

d) Centralized data storage
Further advice has covered the need to move away from Directorate/Business Unit servers to a centralized data storage solution. This consolidation would provide an

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answer to data storage capacity problems that persistently occur at present, as the amount of data held on Council servers grows at a rate of 150% per annum. It would also reduce the impact of structural business changes on the IT infrastructure – e.g. future structure changes similar to those implemented last year. Further advantages of this approach would be:

1. Ability to share data more easily - e.g. across project groups drawn from multiple Business Units.
2. Proactive management of storage preventing unplanned interruption to service if storage space runs out.
3. Efficient use of file server storage preventing performance degradation or under- use of storage capacity.
4. Ability to expand storage capacity simply when required without disruptive non-availability of Council systems to staff.
5. Reduced support overhead for IS staff managing and troubleshooting storage/servers.

2. Objectives of Phase 1 of the PC and server improvement programme 2002-03 (£445,000)

The objectives and allocation of the funds for Phase 1, for which approval is sought, is as follows:

a) Replace central servers which are out of maintenance or will be within the next 12 months (£120,000)
Failure of any of these servers will have a major impact on the ability of multiple Council employees to operate effectively and provide a service to the public. Storage for files will be consolidated into one central system providing potential for expansion, resilience, manageability and the ability for information to be shared across groups of employees working collaboratively on corporate projects.

b) Upgrade PCs which are capable of running modern software and replace those which are not (£305,000)
Upgrade or replacement of PCs will be prioritized, with resources targetted at those areas where this will provide the most benefit.

Those PCs in the targetted business areas which can run modern software will be upgraded so as to provide a standard set-up in these areas. Those that cannot will be replaced.

c) Introduce a standard PC set-up (cost included in (b))
Where work is carried out under (a) and (b), a standard PC set-up will be introduced. This will ensure that staff will have the ability to use any PC and support is simplified.

d) Replace old failing printers (£20,000)
Where old or failing printers are causing operational difficulties or are requiring costly repairs, these will be replaced.

3. Objectives of Phase 2 of the programme, 2003-04 (£450,000 dependent on funds being available)

The objectives and allocation of the funds for Phase 2 of the programme, assuming funds are available in 2003/04, will be as follows:

a) Continue the upgrade of PCs which are capable of running modern software and replacement of those which are not (£337,000)

b) Continue to replace old failing printers (£44,000)

c) Upgrade/replacement of Notebook PCs (£69,000)

Further staffing resources will be required to implement this programme. A separate Revenue bid will be made through the business planning process.

4. Alternative methods of achieving the objectives

As part of the project, the use of alternatives to standard PC and Microsoft solutions will be investigated, including the expansion of the "thin client" solution, successfully used in Housing and Revenues. This solution uses powerful servers, which run the systems used by staff instead of using the processing power of the PCs, and thus allows the use of less powerful PCs or simple Windows terminals.

The suitability of the possible solutions will be assessed for each business area. Therefore, the output from this project will need to be reviewed and varied in light of the availability of changing technology. If there is need to deviate significantly from the planned methods and expenditure pattern included in this report a further report to the Board will be submitted.

5. Staffing consequences

The Revenue allocation of £25,000 is funding the employment of a temporary IS technician for 12 months to help implement phase 1 of this project.

Delivery of phase 1 will be a significant project for the Information Systems Business Unit and will require large amounts of dedicated staff resource. This will inevitably impact on other work required of the Unit, with probable delays on some other projects. It will be important that a decision-making process is in place to prioritize the work required of the IS Business Unit to ensure work can be completed on this project to schedule

It is recommended that a Project Board be established. The board will assist in determining the prioritization of the available resources and will ensure that a full project plan is devised. This plan will make clear all consequences of staff resource allocation as regards other projects. The Project Board will provide a steering group function and will consider issues which need escalating from the IS project team. It will also be a means of communicating progress both upwards and across the Council.

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It is proposed that the Project Board will comprise the Portfolio Holder (Property and IT), the Strategic Director (Finance), the IS Business Unit Manager and the IS Infrastructure Manager plus one other senior officer.

6. Amount and phasing of estimated capital and revenue Expenditure

Capital allocation 2002/2003 - £445,000 has been allocated and approved for this project. This will be used for the server, PC and printer replacement as mentioned above. The phasing of the expenditure is subject to determination of the method of procurement for each area covered in this project - see Table D. A report to the Board will be submitted once this is known - see Recommendation.

Revenue allocation 2002/2003 - £25,000 has been allocated for this project to provide a temporary 12 month IS technician to help the implementation of this project.

Capital allocation 2003/2004 - £450,000 has been identified to be made available for this project, dependent on capital receipts. A breakdown of proposed expenditure of this sum is shown in Table D.

7. Forward Plan feedback

No comments have been received since the publication of this item in the Forward Plan.

This report has been seen by:

Cllr Bob Price, Portfolio holder for Property and Information Technology

Mark Luntley, Strategic Director
Kathryn Latter, Business Manager, Corporate Strategy (recently appointed as IS Business Unit Manager)
Mike Primett, Infrastructure Manager, Information Systems
Martin Hughes, Project Officer, Information Systems
Iain Ross, PC Analyst, Information Systems
Paul Sheppard, Accountant
Helen Liddar, Legal Services

Background Documents – None

Major Project: PC and server replacement spending proposals - Tables

FINANCIAL PROFILE: PC and Server Replacement Major Project

Table A) Expenditure pattern compared to Provision in the Capital Programme

	2002/03 £000's
Expenditure for which approval is being sought	445
Provision in Capital Programme	445
Provision required in Capital Programme	445

Table B) Subjective Analysis of Expenditure

	2002/03 £000's
ESTIMATED PER THIS REPORT	
Works / external contracts	445
Total gross costs	445

Table C) Ongoing revenue costs

	2002/03 £000's	Full year £000's
Employee – Revenue bid approved *	0	0
Running expenses	0	0
Capital finance costs	17.8	35.6
Net additional costs to Council	17.8	35.6

* One-off employee cost of £25,000 for a temporary IS technician

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Table D) Revised Capital Spending Plan

	2002/2003 (Planned)**	2003/2004 (Proposed)***
Centralized servers/storage	£120,000	£0
Replacement of PCs and upgrades	£305,000	£337,000
Printer replacement	£20,000	£44,000
Replacement of Notebook PCs	£0	£69,000
Staffing to implement*	Revenue - approved	Revenue - bid to be made
Total	**£445,000**	**£450,000**

*   Revenue spend 2002/2003 of £25000 for temporary staffing.
** This will include costs required for consultancy and implementation.
*** Dependent on capital receipts – if available a separate report will be submitted.

Table E) Original Capital Bid request

	2002/2003	2003/2004	2004/2005
Replacement of PCs	£550,000		
Existing PC upgrades	£52,700		
Printer replacement	£64,000		
Replacement of Notebook PCs	£69,000		
Staffing to implement	£50,000	£25,000	
Centralized servers/storage	£120,000		
Ongoing PC Replacement Programme			£187,500 (per annum)
Total	**£905,700**	**£25,000**	**£187,500**

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