
Report To:	Policy & Resources Committee	Date:	15 November 2011
Report By:	Chief Financial Officer	Report No:	ICT/004/AP/RS
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Subject:	ICT Capital Programme Review		

1.0 PURPOSE

- 1.1 The purpose of this report is to update Committee in relation to changes to the ICT Capital Programme commencing 2012/13 and to seek approval for the proposals.

2.0 SUMMARY

- 2.1 As a result of an exercise carried out to identify further savings in the ICT capital budget, a number of possibilities were presented to CMT. Total annual net savings of £96,000 in 2012/13 and £193,000 from 2013/14 onwards have been identified.
- 2.2 In addition, the CMT agreed not to proceed with the ICT Server/Communications Hub, sited in the Port Glasgow Shared Campus. Cancelling this project generates a one off capital saving in the AMP funding model of £1.0 million, with estimated revenue savings of £50,000 pa.
- 2.3 However, ICT strongly recommend an immediate investment in the existing Municipal Buildings Data Centre of approximately £130,000 in 2012/13 for remedial works to minimise risks associated with the existing location in the Municipal Buildings. It is also recommended that the Committee allocate £200,000 in 2013/14 for a server virtualisation project, to reduce the size of the server estate.

3.0 RECOMMENDATIONS

- 3.1 That the Committee agree to the revised ICT Capital Programme.
- 3.2 That the Committee agree to the capital spend on the existing Data Centre and server virtualisation.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 As an alternative to the Clyde Valley Shared Support Services proposal, an exercise was carried out that identified a range of potential savings related to the Council's ICT infrastructure.
- 4.2 The need to review the ICT Capital Programme is also required due to further reductions in Local Authority Capital resources recently announced in the spending review.

5.0 PROPOSALS

- 5.1 Extending PC refresh cycle from 4 to 5 years. The quality of the desktop PCs supplied under the Procurement Scotland contract is very good at present. Therefore, it is feasible to extend the refresh cycle of this equipment to 5 years. A small increase in problems reported to the ICT Servicedesk may be attributable to this, but this is expected to be manageable. Expected savings are £96,000 pa from 2012/13.
- 5.2 Reducing the Server/Switch refresh budget. The quality and reliability of the server and network switch estate is good and this results in high availability of Council systems and minimal downtime. A reduction in the overall refresh budgets for servers and switches is feasible and the risk of any increase in problems is minimal. Expected savings are £20,000 pa from 2013/14.
- 5.3 Reducing the Interactive Whiteboard refresh budget. The whiteboard refresh programme has now completed its second year and over 80 of the oldest original whiteboards have been replaced with the latest versions. This project, in conjunction with the Schools' Estate Management Programme, has resulted in the replacement of the majority of the oldest whiteboard equipment. It is therefore, feasible to reduce the rate at which this equipment is refreshed. Expected savings are £60,000 pa from 2013/14.
- 5.4 Replacing some laptops with netbooks in schools. Discussions are underway with Education Services regarding the use of laptops within schools and the best approach to replacing a portion of these with lower cost netbooks, where the use of the equipment merits this. Expected savings are £17,000 pa based on replacing approximately 25% of laptops with netbooks from 2013/14
- 5.5 Revision of Council's Data Centre Investment. The new facility at Newark now gives a degree of business continuity, for core ICT services only, under a range of outage scenarios. A review of the Council's requirements resulted in the decision not to include a Data Centre in the new Shared Campus. £1 million had been allowed for this however, investment of £330,000 is sought for remedial work to improve the facilities of the existing data centre and to implement a programme of server virtualisation over 2 years.

Further detail on the above proposals is shown in Appendix 1.

6.0 CONSULTATION

Recurring Costs/(Savings)

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement from	Other Comments
ICT	Capital Programme	2012/13	(£96,000)	-	
ICT	Capital Programme	2013/14	Further (£97,000)	-	
ICT	Maintenance Budget	2012/13	(£50,000)	-	Budget currently held within Miscellaneous

One-off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement from	Other Comments
AMP	Office AMP	2011/13	(£1,000,000)	-	Removed from Shared Campus Contract.
ICT	Capital Programme	2012/14	£330,000		No extra revenue costs.

7.0 CONSULTATIONS

- 7.1 The above proposals have been considered by the Corporate Management Team who have endorsed the proposals and also agreed to a full review of the desktop estate and associated policies being carried out in light of diminishing Capital Resources.
- 7.2 The Corporate Directorate of Education and Communities has consulted and supports the proposals included in the report.

8.0 CONCLUSIONS

- 8.1 The savings detailed in this report offer £193,000 per annum savings on the capital allocation to ICT from 2013/14.
- 8.2 It is acknowledged that some increase in workload may result from the desktop lifecycle extension and the reduction in server and switch replacement, due to the increasing age of the overall estate. This has been factored into medium term ICT Workforce planning.

Appendix 1

Potential ICT Infrastructure Savings - Education

The current level and quality of ICT equipment provided to schools in Inverclyde is amongst the best in Scotland. All PCs and laptops are refreshed on a 4 year cycle and the ratio of equipment to pupils is very good. In addition, interactive whiteboard provision throughout the authority is very good. It is proposed though, to extend this refresh period to 5 years, from 2012.

The proposed funding cut faced by the Council is forcing a re-evaluation of spending in a number of areas. Given the historically generous level of ICT equipment provision in schools, it is appropriate to examine the affordability of this approach.

Existing Provision of ICT Equipment in Schools				
	Networked PCs	Notebook PCs	Whiteboards	Printers
Pre Fives	61	82	7	34
Primary Schools	854	647	301	258
Secondary Schools	1764	426	419	658
Special Schools	84	42	14	10

NB The above numbers are subject to minor inaccuracies due to ongoing moves undertaken within the schools estate.

Proposal 1 Review the requirement for laptop provision in schools

The price of the current laptop is £563, as purchased from the Procurement Scotland national framework. This contract also includes provision for Netbooks, priced at £190 each.

Where suitable, it may be feasible to replace a portion of the laptops in schools. (eg where these are used occasionally, or for younger pupils using software that does not require the same processing power as a laptop.)

eg If 25% of laptops were replaced by netbooks and allowing for a 3 year refresh of these in comparison with a 5 year refresh for laptops, a saving of £17,000 pa could be made at today's prices. ICT are currently in discussion with Education Services as to the feasibility of this proposal. Selected schools would pilot the use of netbooks, by replacing a group of laptops, to ascertain any usability or technical issues prior to implementation.

Proposal 2 Review the overall provision of ICT desktop equipment in schools

The CMT, in conjunction with Education Services, should review the overall level of ICT equipment provided to schools to ascertain whether this level of provision is affordable.

Detailed information regarding the distribution of ICT equipment between individual schools is available from the ICT Service Management system.

Proposal 3 Review existing interactive whiteboard refresh programme

By 2013/14, the Council's interactive whiteboard refresh programme will have completed its 3rd iteration, with a total spend of £360,000 from the refresh budget.

This refresh programme is aimed primarily at replacing the oldest of the whiteboards in schools to ensure fit for purpose equipment is available to teaching staff. In particular, the replacement programme aimed to remove all whiteboard systems that used ceiling mounted projectors. These are the oldest systems and are the ones that are the most difficult to support and maintain.

In parallel with this refresh programme, the Schools' Estate Team has been provisioning new whiteboards via a number of new builds and school refurbishments. The two teams have worked closely together to avoid duplication and deliver the most effective programme of replacement.

By the summer 2013, the final new Secondary School will have been opened and the Primary School build/refurbishment programme will be complete. At this point, given that the majority of the whiteboard estate will have been replaced and that the majority of teaching spaces will have been supplied with whiteboards, it would be appropriate to examine the future affordability of the whiteboard refresh programme.

Due to the scale of future budgets cuts, it is proposed that funding for the whiteboard refresh programme be reviewed and reduced from £120,000pa to £60,000pa. This will allow whiteboard/projector support in schools to continue as at present. It will also fund a continuing, albeit lower rate, replacement programme, as well as provide a level of 'break/fix' arrangements.