HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
                18 October 2011

Subject: **IT EXPENDITURE**

All Ward(s)
Scrutiny Committees
Cabinet Member for Customer Services: Councillor Brian Phillips

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1.0   PURPOSE AND BACKGROUND:

1.1   To seek authority to incur capital expenditure of **£174,000** in order to deliver the agreed IT Capital Programme 2011/12.

1.2   Cabinet approved the new 10 year Capital Programme on 15 February 2011 (subsequently approved by Council on 22 February 2011). Part of the capital programme deals with investment in IT. Significant work was undertaken with Members during 2010/11 to plan future expenditure for IT over the next 10 years. This report provides Members with value for money statements in support of that expenditure identified for year 1 (2011/12).

1.3   Our strategy for IT spend over the next 5 – 10 years is to a) reduce investment on new / improved systems, instead focusing on maintaining those we have, and b) to continue to develop a strong, resilient network and IT infrastructure. This strategy is reflected in the attached value for money statements at annex 1 (a – l). Similarly, we have agreed to focus spend in this area only on equipment which is either statutory or business critical.

1.4   Summary of proposed costs:

Issue	Cost (HDC totals)		Optional / Business Critical / Statutory
	Revenue	**Capital**	
Servers:			
• Replacement Demilitarised Zone Server	- - -	£3,000	BC
• Keyboard, visual display unit and mouse switch (KVM)	- - -	£2,400	BC
• Microsoft licensing	-	£35,000	BC / legal
• Upgrade iworld servers to Oracle 11g		£6,000	BC
Storage / Back-up:			
• Tapes	-	£1,500	BC
• New joint back-up solution	-	£8,500	BC
Network Security:			
• Decommission telephony room	-	£5,000	

Issue	Cost (HDC totals)		Optional / Business Critical / Statutory
	Revenue	Capital	
Desktops:			
• Replacement desktops / thin clients	**-**	£30,000	BC
• Replacement laptops	**-**	£10,000	BC
• New members infrastructure	**-**	£5,000	BC
• Desktop scanners	-	£2,000	
Application Software:			
• LocalView / ArcGIS Server 9.3 upgrade	-	£10,000	BC
• Payment Card Industry Data Security Standard compliance	-	£30,000	BC
• Fraud Investigations Management System 3 deployment (benefit fraud)	-	£6,000	BC
• NDL corporate universal integration toolkit		£15,000	BC
TOTALS	**£-**	**£173,400**	

1.5 An identical report (setting out shared elements of IT capital expenditure in 2011/12 will be taken to October Strategy Board in Richmondshire. Those schemes which now relate to joint expenditure with RDC include:
- Server replacements
- Microsoft Licensing
- iWorld upgrades
- Replacement desktops / laptops
- Replacement back-up solution / tapes
- ArcGIS / LocalView
- NDL Corporate Universal Integration Toolkit
- Fraud Investigations Management System 3 deployment

2.0 DECISIONS SOUGHT:

2.1 Approval to spend **£173,400 capital** on:
- Server upgrades / replacements
- Improvements to storage facilities / back-ups
- Network security
- Desktop replacements
- Application software

3.0 RISK ASSESSMENT

3.1 **Risk in approving the recommendation(s)**

Risk	Implication	Prob*	Imp*	Total	Preventative action
Unable to fully implement all of the projects set out as required in 2011/12	Potential inability to fully expend the budget this financial year – leading to drift of funding into future years.	1	4	4	This programme of activity is fully plan with implementation plans and resource in place

3.2   **Risk in not approving the recommendation(s)**

Risk	Implication	Prob*	Imp*	Total	Preventative action
Lack of funding to support Councils ambitions	Inability to improve older / less reliable equipment	3	4	12	Investment as indicated above
Impact on the Councils IT capability	Negative impact on services the Council provides to residents	3	3	9	Investment as indicated above
Failure of older / less efficient equipment	Loss of data / harm to customers / reputation	3	4	12	Investment as indicated above

Prob = Probability, Imp = Impact, Score range is Low = 1, High = 5

Overall the risk of agreeing with the recommendations outweighs the risks of not agreeing them and is considered acceptable.

4.0   SUSTAINABILITY IMPLICATIONS:

4.1   The Council considers energy efficiency and reducing its carbon footprint in everything it does. Purchase of replacement / new equipment as proposed will help us to reduce costs of energy spent on IT.

5.0   FINANCIAL IMPLICATIONS AND EFFICIENCIES:

5.1   There are no additional / unfunded revenue implications associated with this programme of activity.

In terms of Capital Expenditure provision has been made for expenditure on IT. This is summarised as follows:

Capital Expenditure	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Cost of IT expenditure	174,000	151,000	244,000	211,000
Financed by: Included in: Capital Programme	174,000	151,000	244,000	211,000
	0	0	0	0

The decommissioning of the old telephony room will create a revenue efficiency / saving of approximately £2,000 per annum.

6.0   LEGAL IMPLICATIONS:

6.1   None

7.0   SECTION 17 CRIME AND DISORDER ACT 1998:

7.1   N/A

8.0   EQUALITY/DIVERSITY ISSUES:

8.1   None of the expenditure set out through this report has any potential negative impact on any part of the community.

9.0   <u>**RECOMMENDATION:**</u>

9.1   That Cabinet approves the expenditure set out above and evidenced through the attached value for money statements.

SIMON FLETCHER

Background papers: None

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181011 IT capital expenditure

VALUE FOR MONEY STATEMENT
(a) Replacement Demilitarised Zone servers

EVIDENCE OF NEED:

The Demilitarised Zone server is 5 years old and coming to up to end of life and warranty and is therefore in need of replacement. The Demilitarised Zone provides a neutral zone between the authorities' network and the Internet adding an essential layer of security to the network.

This server hosts applications which allow secure access to online services for the public and remote access to webmail. This server is shared by both authorities removing the need for each authority to buy and maintain a server of their own.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Demilitarised Zone server	3,000	-	-	-
Financed by :				
Capital Programme	3,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget (existing)	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

Sharing the purchase of the Demilitarised Zone server evokes a capital saving of £3,000 to HDC.

EFFECTS ON THE CUSTOMER:

Replacement of the old server will ensure that the current services provided to customers can continue to be provided without increase risk of downtime caused by server failure.

OPTION APPRAISAL:

a) Doing Nothing

Not purchasing the Demilitarised Zone replacement server

Not replacing the server greatly increases the risk of application downtime caused by server failure. In the event of a server failure, it would be several days before a replacement server could be purchased, built and the applications installed and brought back on line. There would be an increase in the revenue budget as we would have to take out a maintenance contract on these servers.

b) Fully Fund

Ensure that the server is fit for purpose and within warranty so that the risk and implications of server failure is minimised. This will help ensure that the critical applications continue to be made available 24/7.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not procuring the replacement Demilitarised Zone server could result in the failure of the server resulting in application downtime.	Downtime for critical corporate applications and lowering of reputation of the authority.	2	2	4	Purchase the Demilitarised Zone replacement servers

SUSTAINABILITY IMPLICATIONS:

The sharing of the Demilitarised Zone server reduces energy costs and CO_2 emissions New servers are more energy efficient further lowering the CO_2 emissions and energy costs.

IMPACT ON PARTNERSHIPS:

If the authority did not authorise the procurements of the Demilitarised Zone server RDC would be unable to go ahead with this joint replacement.

CONCLUSIONS:

It is recommended that authority is granted to procure the HDC share of the Demilitarised Zone replacement server.

VALUE FOR MONEY STATEMENT
(b) Microsoft Licenses

EVIDENCE OF NEED:

To ensure that the Authority complies with the law, Microsoft software licences for servers must be purchased. The licences are required for both the server operating systems and for Microsoft databases which store and retrieve data required by other applications.

Licences for Microsoft Windows server operating systems are required for both virtual and physical servers that are required to host the applications which the authority uses. This will insure we are legally compliant.

A processor licence to run the database on the database server is required to ensure that we are licensed to use this software which allows us to store and retrieve data for other applications.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Microsoft Software Licences	35,000	-	-	-
Financed by :				
Capital Programme	35,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

This is a legal requirement. The Windows Server licences we will buy for our virtual servers are Datacentre licences which will allow the Authority to build additional virtual servers over the next few years without the need to buy additional licences.

EFFECTS ON THE CUSTOMER:

Ensure that the Authority has the required licences to allow staff and Members to legally and securely carry out their work and provide appropriate levels of service to our customers. This will give us flexibility in future to add new servers at no additional cost to the Authority.

OPTION APPRAISAL:

a) Doing Nothing

The Authority would be operating outside the law with the risk of being audited and prosecuted. Fines would be imposed on the Authority if we were in breach of our licensing

b) Fully Fund

Ensure that the Authority is compliant with the law.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC being audited, having not procured the required Microsoft licences, would result in prosecution.	Prosecution, financial penalties and loss of image and reputation	3	4	12	Purchase the required licences.

SUSTAINABILITY IMPLICATIONS: N/A

IMPACT ON PARTNERSHIPS: N/A

CONCLUSIONS:

The recommendation is to procure the required Microsoft licences for Hambleton District to ensure legal compliance.

VALUE FOR MONEY STATEMENT
(c) Keyboard, visual display unit and mouse switch

EVIDENCE OF NEED:

The current keyboard, visual display unit and mouse switch in Computer Room 1, which allows IT staff to log onto and work on the servers is broken and a replacement is required. The purchase of the keyboard, visual display unit and mouse switch over IP would restore this ability to log onto the servers whilst in Computer Room 1 and allow access to the IT staff to log onto the servers from the Local and Wide Area networks. This would give IT staff working at RDC the same on-line access to the servers as staff working at HDC.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Keyboard, visual display unit and mouse switch over IP	2,400	-	-	-
Financed by :				
Capital Programme	2,400	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget (existing)	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

Improved and faster access to servers in the event of application, server problems and failure. This will increase response time to server issues and allow problems to be resolved faster.

EFFECTS ON THE CUSTOMER:

Faster response times to server issues.

OPTION APPRAISAL:

a) Doing Nothing

Not purchasing the keyboard, visual display unit and mouse switch for Computer Room 1.

To continue to connect monitors and keyboard directly into the individual servers in order to work on them whilst in the server room, risks dislodging network cables which would temporary remove access to the server from the network.

b) Fully Fund

Replace the broken keyboard, visual display unit and mouse switch to allow access to servers whilst working in Computer Room 1 and over the LAN and WAN. Reducing the risk of accidental removal of network cables. Faster fault resolution to reduce downtime of business critical services

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not procuring the keyboard, visual display unit and mouse switch for Computer Room 1 increases the risk of accidental dislodging of network cables temporarily removing the server from the network	Application downtime	2	2	4	Purchase the keyboard, visual display unit and mouse switch

SUSTAINABILITY IMPLICATIONS: N/A

IMPACT ON PARTNERSHIPS:

Improved access to the servers from both HDC and RDC allowing IT staff to react to server issues faster. As staff at both RDC and HDC have authorised access to servers in the Civic Centre this will help reduce the time a server or application is off line in the event of a problem.

CONCLUSIONS:

It is recommended that authority is granted to procure a keyboard, visual display unit and mouse switch over IP for Computer Room 1.

VALUE FOR MONEY STATEMENT
(d) Storage & Back-up

EVIDENCE OF NEED:

Currently RDC and HDC have different backup solutions. RDC uses Backup Exec whereas HDC uses Data Protector. It is proposed that, in line with shared services and the new joint storage a new joint Backup Exec backup solution be implemented. The current tape drive at HDC is subject to failure and would be replaced as part of the new Backup Exec solution.

For this to happen, RDC would need to further invest in its current Backup Exec solution and HDC would be required to purchase Backup Exec software and licences as well as a new backup tape drive. This joint solution would simplify the maintenance of backup.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Tapes	1,500	-	-	-
Backup solution	8,500			
Financed by :				
Capital Programme	10,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget (existing)	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

Reduction in the resources needed to maintain the current backup solutions as the procedure will be simplifier across the two authorities.

EFFECTS ON THE CUSTOMER:

More effective way of protecting customer data on the shared network.

OPTION APPRAISAL:

a) Doing Nothing

Not purchasing the new joint Backup Exec solution would mean that the maintenance savings and the opportunity to simplify the maintenance of the solution would not be realised. The current tape drive would not be replaced with the risk of further failure resulting in backup failures for business critical data.

b) Fully Fund

Procuring the new joint backup solution would provide a common, simplified backup procedure and reduce the resources required to maintain the solution. The solution would provide the option to perform some backups to tape for either site in the event of failure at one site or the other.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not procuring the new Backup Exec solution could result in failure of the current backup solution at HDC	Failure to provide full backups to tape of the data and applications on the network.	3	3	9	Procure the joint Backup Exec solution and tape drive

SUSTAINABILITY IMPLICATIONS: N/A

IMPACT ON PARTNERSHIPS:

In the event of a backup failure, data, applications and servers used by the Shared Service Partnership would not be backed up introducing a vulnerability into the shared network.

CONCLUSIONS:

It is recommended that authority is granted to procure the HDC share of the joint Backup Exec solution.

VALUE FOR MONEY STATEMENT
(e) Network & Security

EVIDENCE OF NEED:

The main switch in the Telephony Room is at end of life and out of warranty. As a main switch, it provides network access to the servers and applications in the Telephony Room and the, telephony system. Failure of this switch would lead to a loss of these services whilst the fault was repaired or in the case of complete failure downtime until a new switch was sourced and configured. To source a new switch without warranties and configure it would result in up to three working days of downtime. The switch has developed errors over the past few months making the replacement of this switch business critical.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Replacement Switch	4,000	-	-	-
Financed by :				
Capital Programme	4,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget (existing)	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

Ensure the current level of access to all IT services is maintained.

EFFECTS ON THE CUSTOMER:

Failure of this switch would result in staff being unable to access applications and provide a service to customers. There would be major interruption to the telephony system at the Civic Centre and remote sites.

OPTION APPRAISAL:

a) Doing Nothing

Not purchasing the Switch for the Telephony Room

There is a huge risk that this switch, currently at its end of life, will fail resulting in the loss of network access to the applications in the Telephony Room and major interruption to the telephony system at the Civic Centre and remote sites. This would have a major impact on the way our customers interact with the Council on a day to day basis.

b) Fully Fund

Ensure that the switch is fit for purpose and minimise the risk of failure.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not procuring the switch for the Telephony Room resulting in the failure of the current switch	Failure of the switch resulting loss of access to the corporate application in the Telephony Room and major interruption to the telephony system at the Civic Centre and remote sites	3	3	9	Purchase the switch for the Telephony Room

SUSTAINABILITY IMPLICATIONS: N/A

IMPACT ON PARTNERSHIPS:

In the event of the switch failing, RDC staff would be unable to access the shared applications in the Telephony Room and a limited number of RDC telephones would go down.

CONCLUSIONS:

It is recommended that authority is granted to procure the switch for the Telephony Room.

VALUE FOR MONEY STATEMENT
(f) Desktops

EVIDENCE OF NEED:

Desktop equipment including Laptops, Desktop PCs and Thin Clients are replaced on a 5 year rolling programme so that equipment coming to the end of its life can be replaced to ensure it is fit for purpose. In addition staff who need to work off site or from home and need access to the network must only connect to the network using the authority's equipment which is compliant with Government Connect Secure Extranet regulations. Previously staff have used their own equipment to access the network which is now no longer considered secure by our Government Connect Secure Extranet requirements.

Two Desktop Scanners are at their end of life and have had unexpected failures. The scanners, located at the Civic Centre, are used by all departments to scan documentation into applications removing the need to catalogue and store the paper documents.

This budget would enable us to provide encrypted Laptops or Thin Clients to new Members so that they can access the network and correspond with staff and constituents by emails from their homes. We are now required by Government Connect Secure Extranet to provide Council owned equipment for Members to access the network in order to ensure the network is secure. Provision is also needed for printers where required.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Desktop PCs and Thin Clients	30,000	-	-	-
Replacement Laptops	10,000	-	-	-
2 Desktop Scanners	2,000	-	-	-
New Members Equipment	5,000	-	-	-
Financed by :				
Capital Programme	47,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	0	0	0	0
Financed by :				
ICT Revenue Budget (existing)	0	0	0	0
Surplus	0	0	0	0

EFFICIENCY GAINS:

By ensuring staff have desktop equipment that is fit for purpose, so they can be more productive and efficient.

Saving the documentation electronically by scanning makes it much more accessible to staff and removes the need to catalogue and store the paper documents.

By providing equipment that is fit for purpose, Members will have access to the network to allow them to access information themselves. This will reduce the need for staff to print documentation and send it out by post. This also allows Members to access information quickly and at a time of their choice.

EFFECTS ON THE CUSTOMER:

Ensure that staff have appropriate desktop equipment to enable them to carry out their role and serve the public more efficiently.

Faster retrieval of documentation when responding to enquires for customers.

Ensure that Members have quick access to all the documentation and information they require in order to meet the need of their constituents. Allow constituents to correspond with Members electronically.

OPTION APPRAISAL:

a) Doing Nothing

Not purchasing the desktop replacements

- This will result in increased failure rate of Desktop equipment resulting in increased down time and inefficiencies
- This will add additional calls to the IT Service Desk as equipment comes to the end of its life, resulting in additional pressure on resources
- The scanning of documentation would not be able to continue and an alternative paper based storage system would have to be implemented which would increase the demand on resources
- Retrieval of documentation would be slower resulting in a drop in service levels to customers
- Although there are a few other Desktop Scanners at the Civic Centre, none of them have the capacity to scan documentation at the rate required and a huge backlog would develop within days
- New Members would be unable to have access to their emails and information on the network

b) Fully Fund

- Ensure that staff have equipment that is fit for purpose to carry out their jobs efficiently
- Ensure that the current service is provided and paper documentation is made available electronically
- Ensure that new Members can access their emails and information on the network in order to carry out their duties

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not procuring the Laptops, Desktop PCs and Thin Clients would result in increased equipment failure and staff downtime	Equipment failure would increase Service Desk calls resulting in additional pressure on resources and lower staff productivity	3	2	6	Purchase the Laptops
HDC not procuring 2 desktop scanners would result in paper documentation not being made available electronically	There would be additional costs for storage and cataloguing of the paper documentation which would decrease productivity	5	2	10	Purchase the 2 Desktop Scanners
Not providing new Members with IT equipment would mean they would not have access to emails and electronic information	This would increase the cost of providing Members with information in order to carry out their role and make it more difficult and time consuming to respond to constituents enquiries	3	2	6	Purchase the Laptops, Thin Clients and printers.

SUSTAINABILITY IMPLICATIONS:

We need to ensure that all end of life equipment is disposed of in compliance with the WEEE (Waste Electrical and Electronic Equipment) Directive for the disposal of electrical equipment.

Having documentation available electronically means that, with the authorised access documentation can be accessed from any site at any time removing the need to travel to the Civic Centre to retrieve it. There will not be a storage requirement of the paper copies with associated costs.

Reduction in the amount of printing of documentation and postage to Members.

IMPACT ON PARTNERSHIPS:

The failure of desktop equipment would reduce staff productivity which would reduce the productivity of the Hambleton District staff in the Shared Services Partnership.

As more services are shared RDC staff working at the Civic Centre will require scanning services which will not be available if the scanners are not replaced. Staff at RDC, with authorisation will be able to access the documentation for other locations increasing the efficiency of the service provided.

CONCLUSIONS:

It is recommended that authority is granted to procure the Desktop replacements.

VALUE FOR MONEY STATEMENT
(g) Communications

EVIDENCE OF NEED:

The virtualisation of servers at HDC last year has reduced the number of physical servers required to the extent that they can all be accommodated in one server room. The remaining servers in the Telephony Room can be relocated to Computer Room 1 leaving only the switches, network ports and telephony in the Telephony Room. This will mean we will be able to reduce the air conditioning and battery backup requirements in the Telephony Room resulting in an energy and maintenance savings on a yearly basis.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Moving and re-cabling of the servers, and purchase of a new smaller UPS for the Telephony Room. Secure destruction of redundant servers and data	5,000	-	-	-
Financed by :				
Capital Programme	5,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance for UPS	400	400	400	400
Financed by :				
ICT Revenue Budget (existing)	575	575	575	575
Surplus	175	175	175	175

EFFICIENCY GAINS:

Energy and maintenance savings as a result of a reduction in the air conditioning and battery backup requirements in the Telephony Room. The annual saving on the maintenance of Air Conditioning units in the Telephony room would be £350. This saving will be in the Design and Maintenance, Fix Maintenance Budget. There will also be an annual saving of £175 on the maintenance of the battery backup in the Telephony Room. As all the servers will be in one room we would only require one keyboard, visual display unit and mouse switch to access the servers in Computer Room 1 removing the need to have a second keyboard, visual display unit and mouse switch in the Telephony Room. The cost of a new keyboard, visual display unit and mouse switch would be £2,400.

EFFECTS ON THE CUSTOMER:

Ensuring the safe and secure destruction of servers and data on the redundant server will protect the privacy of the customer.

OPTION APPRAISAL:

a) Doing Nothing

Not decommissioning the Telephony Room

The current access to IT services and applications would be maintained but there would be no on-going energy and maintenance savings. A replacement keyboard, visual display unit and mouse switch would be required to log onto the servers in the Telephony Room at a cost of £2,400 as the existing provision is broken and beyond repair.

b) Fully Fund

The current access to IT services and applications would be maintained with on-going energy and maintenance savings. In addition there would be a saving of £2,400 on a replacement keyboard, visual display unit and mouse switch in the Telephony Room.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not decommissioning the Telephony Room would not allow efficiency savings	This would not reduce the cost of energy and maintenance	4	1	4	Decommission the Telephony Room

SUSTAINABILITY IMPLICATIONS:

Energy savings resulting in reduced CO_2 emissions.

IMPACT ON PARTNERSHIPS: N/A

CONCLUSIONS:

It is recommended that authority is granted to decommission the Telephony Room.

VALUE FOR MONEY STATEMENT
(h) Upgrade to Fraud Investigations Management System (FIMS) 3

EVIDENCE OF NEED:

HDC have used Fraud Investigations Management System since 2007 and found that the system has improved the efficiency of investigations and assists greatly in accessing data for statistics etc. enabling us to make a balanced judgement on which cases to use our resources on. Fraud Investigations Management System gives a tight audit trail on actions taken by dating and timing all actions made which cannot be altered once saved. It is proposed that the application be upgraded to Fraud Investigations Management System 3 which will provide additional features and improve security.

In January 2011 the department became a Shared Service with RDC who currently records cases using Microsoft Excel spreadsheets and Microsoft Word documents. At the same time as upgrading to Fraud Investigations Management System 3, RDC will deploy the application and upgrade replacing the current systems of working.

Fraud Investigations Management System 3 allows highly sensitive cases to have access limited to relevant persons, better functionality for the notes on investigations and data extractions for stats.

It would enable documents to be kept electronically and although we would still keep original evidence documents on file, it would enable us to electronically forward cases requiring re-assessment to the benefit assessors and also to the Department of Work and Pensions saving time, travel and printing costs.

Savings on the upgrade to Fraud Investigations Management System 3 would be made as the cost of the upgrade would be shared between the two Councils 60/40. The annual support costs for the software would also be shared with an annual saving of £1442.00 for HDC.

Fraud Investigations Management System 3 would provide the ability, in the future, for Interviews Under Caution (IUC) to be saved electronically to the data base. The electronic interviews could then be sent electronically to tape transcribers, again saving time and postage costs. However to enable this process we would need to conduct the IUC onto a machine using CDs rather than tapes which is the current method. The upgrade of the IUC machine could be undertaken in the future when the current machine is due for replacement.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Upgrade Fraud Investigations Management System 3, licence changes and consultancy work	6,000	-	-	-
Financed by :				
Capital Programme (existing)	6,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	2,163	2,163	2,163	2,163
Financed by :				
ICT Revenue Budget (existing)	3,605.00	3,605.00	3,605.00	3,605.00
Surplus	1,442.00	1,442.00	1,442.00	1,442.00

EFFICIENCY GAINS:

There are savings in that the upgrade to Fraud Investigations Management System 3 will be shared 60/40 between the two authorities. There will also be savings from the revenues budget as the annual support costs for the software would also be shared with an annual saving of £1442.00 for HDC. The management of these investigations would be more coordinated and coherent with all information kept in a single location. The productivity of staff would increase.

EFFECTS ON THE CUSTOMER:

Improved security of customer data and documentation within the Fraud Investigation system.

OPTION APPRAISAL:

a) Doing Nothing

Continue with two separate systems for HDC and RDC, which is less efficient and less productive. Fail to capitalise on the improved security and auditing features provided by the Fraud Investigations Management System 3 upgrade.

b) Fully Fund

Provides a single, simplified and secure point for Shared Service staff to manage fraud investigations for both HDC and RDC updating and greatly improving the efficiency of handling Fraud cases.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not upgrading to Fraud Investigations Management System 3 would prevent improvements in efficiency of tracking and investigating fraud being implemented	The service provided by the Fraud Investigations team would remain disjointed and improved security and additional features provided by the upgrade would not be available	3	1	3	Purchasing the upgrade to Fraud Investigations Management System 3

SUSTAINABILITY IMPLICATIONS:

Purchasing the Fraud Investigations Management System 3 application would enable HDC to perform more tasks electronically saving time and money on travel, printing and postage costs.

IMPACT ON PARTNERSHIPS:

Not authorising the upgrade to Fraud Investigations Management System 3 would prevent RDC from deploying Fraud Investigations Management System 2 and upgrading to Fraud Investigations Management System 3 under the terms of this proposal.

CONCLUSIONS:

It is recommended that the authority is granted to purchase the upgrade to Fraud Investigations Management System 3.

VALUE FOR MONEY STATEMENT
(i) Payment Card Industry Data Standards Compliance

EVIDENCE OF NEED:

Our current card payment system will no longer be compliant with the Payment Card Industry Data Security Standards (PCI DSS) on 1 July 2012. In order to continue to offer face to face, online and telephone card payments to our customers we need to purchase a hosted card payment service which is compliant with the new standards.

Payment Card Industry Data Security Standard (PCI DSS) and Payment Application Data Security Standard (PA DSS) define how we manage security for card payments within any organisation.

These guidelines ensure that the Council secures cardholder data that is stored, processed or transmitted by the public or by the Council staff using Council card payment services.

Compliance with the Payment Card Industry Data Security Standard and Payment Application Data Security Standard means that our systems are secure and customers can trust us with their sensitive payment card information. If we are not compliant then Visa and MasterCard could stop us from using their services and we would be liable for any fraud committed which could involve fines and, if card data is lost, being charged for every card that the bank has to re-issue.

HDC currently uses an internally hosted card payment service provided by CIVICA called COMMSXL to validate card payments into the CIVICA Cash Receipting system. New card payment guidelines in conjunction with CIVICA consultants indicate that we must update our card payment platform to a Gateway Card Server (a mandatory requirement from June 2012), failing this we will not be allowed to take any card payments after this date.

CIVICA quote: *Mastercard and Visa have mandated that by 1 July 2012 (Mastercard) and 1 December 2012 (Visa) all payment solutions must be end to end Payment Application Data Security Standard compliant. The Civica solution is fully compliant however the card authorisation and settlement solution 'CCard' originally provided by CommsXL isn't.*

HDC currently takes 16,000 card transactions annually and this is increasing every year. The payments are taken face to face, over the telephone, and online.

Moving to an externally hosted card payment services via the Gateway Card Server removes the need to hold card details on site and significantly reduces the Council's Payment Card Industry Data Security Standards requirements. The Gateway Card Server Solution is fully Payment Card Industry Data Security Standard and Payment Application Data Security Standard compliant.

This externally hosted solution will provide us with the latest software for card payment transactions, which will be updated when new software releases are available. Also included in this externally hosted solution is the additional card security elements such as 3D secure and chip and pin.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Payment Card Industry Data Security Standards Compliancy	30,000	-	-	-
Financed by :				
Capital Programme (existing)	30,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
*	10549.48	11024.21	11520.30	12038.71
Financed by :				
ICT Revenue Budget (existing)	10549.48	11024.21	11520.30	12038.71

* Assumes 4.5% RPI increase annually

EFFICIENCY GAINS:

This solution replaces a service hosted internally with the same service hosted externally. This also enables the Council to keep up with the changing Payment Card Industry Data Security Standard and Payment Application Data Security Standard requirements more effectively than managing these changes in-house.

EFFECTS ON THE CUSTOMER:

Ensure that the card payment system the Authority uses is compliant and that sensitive data is secure.

OPTION APPRAISAL:

a) Doing Nothing

If we do not purchase the hosted card payment service, after June 2012 we will not be allowed to take any card payments.

b) Fully Fund

The current ability to take card payments will continue with the addition of chip and pin. The latest software upgrades will be applied automatically, ensuring the service remains compliant with Payment Card Industry Data Security Standard and Payment Application Data Security Standard requirements as new regulations are enforced.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not investing in a Hosted Card Payment service will mean the Authority will no longer be able to take card payments from 1 July 2012	Major drop in service to our customers and increased workload for Customer Service staff resulting in a drop in the Authority's image and reputation.	5	3	15	Purchase a hosted card payment solution

SUSTAINABILITY IMPLICATIONS:

Not purchasing the hosted card payment service would increase the number of cheque payments which would increase postage costs and paperwork.

IMPACT ON PARTNERSHIPS:

The inability for the authority to take card payments will increase the resources required to accept payments across Shared Service departments.

CONCLUSIONS:

It is recommended that the authority is granted to purchase the hosted card payment service.

VALUE FOR MONEY STATEMENT
(j) NDL Integration toolkit

EVIDENCE OF NEED:

Currently HDC uses the Lagan Frontline Customer Relationship Management (CRM) system to record cases and interact with a limited number of applications used in the back offices, whereas RDC doesn't have any method to do this or record interactions. With the advent of Shared Services, there is a need for a joint system that will allow staff at both sides to have access to the same back office systems with ease, to allow them to be more effective in their roles and provide a better service to the customer.

HDC's version of Lagan Frontline is now unsupported by the supplier. In order to remain supported, a costly upgrade of the system would be required. It would be more cost effective to move away from Lagan completely and deploy NDL Metascybe as it can be used universally, to allow integration into all systems that the back office staff use without the need to purchase expensive product-specific connectors. These connectors are required for the Lagan CRM to work.

Without a common tool which can aggregate information from applications that the back office uses, the work load on Customer Services would increase dramatically as they would have to use and be competent in the use of a large number of corporate applications. There isn't the resource in Customer Services to allow them to do this whilst maintaining the current high level of service to the customer.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
NDL Corporate Universal Integrated Toolkit	15,000	-	-	-
Financed by :				
Capital Programme	15,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	4,950	4,950	4,950	4,950
Financed by :				
ICT Revenue Budget (existing)	31,000	31,000	31,000	31,000
Surplus	26,050	26,050	26,050	26,050

EFFICIENCY GAINS:

There is a potential saving of approximately £26,050 a year to be made with the implementation of NDL Metascybe, as it could be used to replace a number of costly product specific connectors as detailed above. Development using NDL Metascybe to replace these could take place within a year, leading to savings being realised in year 2.

As we have already purchased the NDL working solution for Housing Repairs, NDL have offered us a £2,500 discount on their list price and an upgrade to a council-wide mobile working solution should we purchase this integration module from them; this would have a multitude of applications and could be implemented in a variety of departments across the Council, such as Environmental Health, Revenues & Benefits.

EFFECTS ON THE CUSTOMER:

NDL Metascybe will help provide a better service to HDC and RDC customers.

Customer information from many different back office systems will be aggregated into one view allowing customer service officers (CSOs) to answer customers' enquires and record any issues more quickly, rather than having to open 3 or 4 different systems to find this information or raise cases/calls.

This aggregated view makes it much easier to answer related queries in one call, for example, if a customer rings up to report a change of address for council tax, we can change their address in other relevant systems at the same time, or help them with other issues such as needing new recycling receptacles, without having to login to multiple applications.

We would also have the option to use NDL on the websites, to allow customers to get secure updates on the status of current requests and issues at a time of their choosing, on a self-help basis, e.g. current status of Council Tax payments, or updates on a pest control cases.

OPTION APPRAISAL:

a) Doing Nothing

To leave the situation as it is now would mean that HDC would be using an unsupported product which would be expensive to fix should something go wrong. In order to stay supported we would have to upgrade the CRM system (at a quoted cost of £30,000) and some of the other connectors listed above. Savings would not be realised.

RDC staff would not have access to the Lagan system which HDC staff currently use, in a supposedly shared service environment.

Work-load on both sides would increase dramatically as they would effectively have to access, and be competent in two sets of systems rather than being able to go through a unified portal which interacts with back office systems in the background. There is no capacity in Customer Services or in IT to support these users.

b) Fully Fund

HDC & RDC staff would have access to the same systems as each other through one single portal, allowing them to be more efficient in their roles, providing a better service to the customers.

Savings could be realised by replacing connectors using the NDL Metascybe solution.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not procuring the NDL Metacybe solutions would complicate and lengthen the recording and	A drop in the current level of customer service and not capitalising on the saving by deploying NDL Metascybe	4	3	12	Purchase NDL Metascybe

Risk	Implication	Prob*	Imp*	Total	Preventative action
retrieval of information into and from back office applications					

SUSTAINABILITY IMPLICATIONS:

Lagan is currently set up on 4 servers; by moving to NDL we would be able to consolidate on to one existing server. There is also a potential for more servers to be decommissioned as we replace the connectors. This would reduce maintenance and processing power needed leading to a reduction in the Council's CO_2 emissions and saving on energy costs.

IMPACT ON PARTNERSHIPS:

The decision not to purchase NDL Metascybe for customer services would impact greatly on Shared Services, as it would mean that RDC staff would have a different and more complex way of inputting information or accessing back office applications than HDC staff, ultimately leading to a difference in the level of service received by the customer.

CONCLUSIONS:

It is recommended that the authority is granted to purchase NDL Metascybe.

VALUE FOR MONEY STATEMENT
(k) iWorld upgrade

EVIDENCE OF NEED:

The software supplier Northgate provides us with an application to manage Council Tax, Business Rates and Housing Benefits. This system is called (iWorld). In order to continue providing a service to the public, to collect revenue and pay housing benefits, we need to ensure the platform used by the software is up to date and compliant with the future requirements of the iWorld application.

We need to update the platform software to Solaris 10 and Oracle 11g in order to continue to install the latest versions of the iWorld software. This is dictated to us by the supplier Northgate. If the latest versions of iWorld software are not purchased we will not be compliant with legislation which allows us to run the year end billing, which commences in February/March 2012.

The upgrade to Solaris 10 and Oracle 11g must take place before Dec 2011 as after this time support will no longer be provided for the current version by Northgate.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Upgrade to Solaris 10 and Oracle 11g	6,000	-	-	-
Financed by :				
Capital Programme (existing)	6,000	-	-	-
Surplus	0	-	-	-

Revenue

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance				
Financed by :				
ICT Revenue Budget (existing)				
Surplus	0	0	0	0

EFFICIENCY GAINS:

None

EFFECTS ON THE CUSTOMER:

Not upgrading to Solaris 10 and Oracle 11g would prevent us from running the year end bills using the iWorld application and also processing legislation changes through software patches from our supplier Northgate.

OPTION APPRAISAL:

a) Doing Nothing

Future releases of the Northgate revenues and benefits software (iWorld) will not be compatible with the platform we provide on our associated computer hardware, the application software provided by Northgate may not run as expected, the latest software will not be supported by Northgate on a non-compliant platform. The new iWorld software version required to run the year end billing could not be installed preventing us from running the year end bills.

b) Fully Fund

The Northgate iWorld systems will continue to be supported and upgraded to the latest functionality allowing us to run the year end bills.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
Not upgrading to Solaris 10 and Oracle 11g would prevent us from installing iWorld software updates	HDC would not be able to run the year end bills using the iWorld application and could not continue to provide Council Tax and Housing Benefit functions	5	4	20	Provide the budget to upgrades to Solaris 10 and Oracle 11g

SUSTAINABILITY IMPLICATIONS:

None

IMPACT ON PARTNERSHIPS:

The Solaris and Oracle upgrades are being purchased across both authorities with a 60/40 split in the costs. If HDC did not authorise their share of the cost of the upgrade then RDC could not go ahead with the upgrade and would be unable to run their year end bills.

CONCLUSIONS:

It is recommended that the authority is granted to purchase the Solaris 10 and Oracle 11g upgrade.

VALUE FOR MONEY STATEMENT
(I) GIS

EVIDENCE OF NEED:

The LocalView software that is currently in use at HDC to provide mapping to all officers via the intranet and to customers via the website is being superseded by an improved version. In order to remain supported by the supplier, Esri, HDC must upgrade to the new version – LocalView Fusion.

During the options appraisal for the shared service business case it was decided that one electronic mapping system was required across both authorities. As a result, RDC intends to implement the same Esri software as HDC, including the latest LocalView Fusion product. To facilitate the implementation of a single shared solution, HDC needs to upgrade at the same time as RDC go live.

To not upgrade at the same time as RDC would leave the authorities operating two different systems. There is no capacity for this in either the Information Management or ICT teams.

COSTS:

	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Upgrade to LocalView - Fusion	6,900	-	-	-
Financed by :				
Capital Programme (existing)	6,900	-	-	-
Surplus	0	-	-	-

Revenue -	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Support and Maintenance	17,610	15,241	15,241	15,241
Financed by :				
ICT Revenue budget (existing)	17,610	17,610	17,610	17,610
Surplus	0	2,189	2,189	2,189

EFFICIENCY GAINS:

By licensing the software jointly with RDC there would be a £2,189 revenue saving for HDC from 2012/13.

EFFECTS ON THE CUSTOMER:

LocalView Fusion will provide customers with an easy to use interface and navigation similar to Google™ & Bing™ making the location information easily accessible. Personalisation via postcode, reporting and feedback forms will deliver quick and efficient interaction.

The new version will be able to be embedded throughout the Council's website wherever a map is needed or a customer needs to report something that is location specific (such as a street light fault).

OPTION APPRAISAL:

a) Doing Nothing

The revenue saving would not be realised, HDC would be left running an old version of the software that would become unsupported by the supplier, and officers and customers would not benefit from the improved product. In the longer term it may cost more money to upgrade.

Doing nothing would also prevent RDC from moving ahead with a joint implementation of the software and would therefore impact on all Shared Services: primarily for Information Management, Planning Policy, Environmental Health, Waste, Development Management, Legal, Land Charges, Design and Maintenance, Housing as not able to share or view data across both authorities.

b) Fully Fund

Through the capital programme. This would release a revenue saving from 2012/13.

RISK ASSESSMENT:

Risk	Implication	Prob*	Imp*	Total	Preventative action
HDC not proceeding with upgrade prevents RDC from procuring GIS system.	Significant problems for RDC including inaccurate information for Planning decisions, inability to deliver Land Charges efficiently, and inability to produce Legal maps.	4	4	16	Upgrade procured for GIS system.

SUSTAINABILITY IMPLICATIONS:

With more information presented on the website for the public there will be less need for special journeys to be made to council offices. This will lead to reductions in CO_2 emissions from travel by our customers

IMPACT ON PARTNERSHIPS:

Not moving to LocalView Fusion would impact on shared services due to RDC having a different level of service.

CONCLUSIONS:

The recommendation is to upgrade Hambleton District Council to LocalView Fusion as soon as possible to enable the further implementation of the shared service.