

**CABINET
15 DECEMBER 2020**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: IT CAPITAL - PURCHASING OF LAPTOPS

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL

1. EXECUTIVE SUMMARY

- 1.1 This report seeks to obtain approval from Council to re-profile and reallocate IT capital expenditure ahead of the normal budget approval process in February. This would enable IT to progress the procurement and delivery of laptops to staff at the earliest opportunity and would avoid the Council incurring additional capital costs relating to Microsoft licences from 01 April 2021.

2. RECOMMENDATIONS

That Cabinet recommends to Council:

- 2.1. That the capital programme for IT spend is amended as detailed in 7.2 Table 2 to enable IT to progress the procurement of laptops for staff to facilitate more effective home working arrangements. The net impact is an increase in spend in 2021/22 of £55k as detailed in 7.3 and shown in Table 3.
- 2.2. That £50k of the capital is bought forward into this year's budget so that the IT Manager can progress the procurement of the first batch of laptops so that delivery to staff can happen at the earliest opportunity.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To enable a continued agile way of working which has been brought about by the Coronavirus pandemic, increasing flexibility and business continuity resilience and ensuring a future proofed approach.
- 3.2. To avoid additional capital costs associated with a requirement to increase Microsoft licences where users have a personal computer in the office and an NHDC provided device at home.
- 3.3. To respond to feedback from the staff survey regarding the need for staff to be provided with equipment that have cameras and microphones to enable council wide participation in meetings and similar activities.

- 3.4. To enable the procurement, build and distribution of laptops to take place ahead of the new financial year, considering supplier lead in times and scheduling of resources in the IT team.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. The alternative to this proposal would be to continue working in the same way as we are currently, however, this would lead to an ongoing increase in capital costs for additional Microsoft licences.
- 4.2. Remaining as is, would also not address the feedback from staff regarding the tools needed to work effectively from home and access online meetings.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member and Deputy Executive Member for Finance and IT have been consulted on this report and support these proposals.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 In February 2020 Capital investment proposals for ongoing replacement of PCs and laptops were approved. These were entries ECP2 (PC refresh), ECP20 (home working equipment) and ECP14 (laptop refresh) which had a combined total of £331k. This proposal was at the time based on the IT strategy, which had not accounted for the Coronavirus pandemic and the impact that would follow.
- 7.2 The proposal for 2021/2022 is to reprofile these entries, with most of the investment moving from ECP2 and ECP20 to ECP14 so that laptops become the prime device for all staff rather than desktop PCs. The re-profiling would move £80k of the spend forward so that all staff can be equipped with a laptop by the early part of 21/22.
- 7.3 Additionally this report seeks to bring £50k of the £80k mentioned in 7.2 into this financial year to enable a first batch of laptops to be distributed at the earliest opportunity.
- 7.4 The breakdown and net impact of these changes are shown below in table 1 and 2 with the profile of expenditure shown in table 3. The budget agreed in February 2020 allocated spend in each year for the 5-year period up to 2024/25, and then a five-year allocation combined for the period from 2025/26 to 2029/30. As we are now in 2020/21, the future allocations are for 4 years and 9 years respectively.

Table 1: Capital investment approved in February 2020

Capital Investment Reference	Description of investment	Spend over 4 years 2021/22 to 2024/25 (£000)	Spend over 9 years 2021/22 to 2029/30 (£000)
ECP2	PC refresh	74	182
ECP20	Additional PCs (Home working equipment)	52	128
ECP14	Laptop refresh	11	21
Total		137	331

Table 2: Proposed changes to Capital Investment programme

Capital Investment Reference	Description of investment	Additional amount brought forward in to 2020/21	Spend over 4 years 2021/22 to 2024/25 (£000)	Spend over 9 years 2021/22 to 2029/30 (£000)
ECP2	PC refresh	0	41	82
ECP20	Additional PCs (Home working equipment)	0	0	0
ECP14	Laptop refresh	50	124	199
Total		50	165	281

7.5 Additionally, there is a new capital item to top up the laptop refresh programme in future years, with £55k in every third year from 21/22. This will be included as part of the standard budget process, being considered by Cabinet in January and Full Council in February. That budget process will also add in provision for the year 2030/31. The revised combined capital spend for these items is shown below:

Table 3: Revised annual spend £000 (excluding the additional amount in this year- 2020/21)

Capital Investment Reference	Description of investment	21/22	22/23	23/24	24/25	25/26 to 29/30	Total
ECP2	PC refresh	13	8	7	13	41	82
ECP20	Additional PCs (Home working equipment)	0	0	0	0	0	0
ECP14*	Laptop refresh	30	7	7	80	75	199
NEW	Additional Laptop Refresh	55	0	0	55	55	165
Total		68	15	14	148	171	446

*ECP14 £50k of £80k bring forward into 20/21

8. RELEVANT CONSIDERATIONS

- 8.1 Since the start of the Coronavirus pandemic in March 2020 nearly all Council staff have been working solely from home. Prior to this there was an average of 80 employees working from home on any one day.
- 8.2 Council owned IT equipment had historically been provided to approximately 105 users for use whilst working from home. The IT strategy until this time had been to provide PCs and monitors for homeworking, the same as in the office.
- 8.3 In response to the pandemic, IT provided homeworking equipment to an additional 80 staff in March and April in order to get services quickly set up to operate remotely, with the remainder of staff using their personal devices. As the situation has lasted much longer than originally anticipated, we have seen an increase in requests for NHDC provided equipment due to personal equipment no longer being available or fit for purpose. There has been a further provision of 45 PCs issued to staff at home. Currently NHDC equipment is provided to approximately 230 staff, most of which are PCs.
- 8.4 It is evident that the way that we work has changed considerably over the last eight months with increased levels of remote working likely to last longer term. It is important that we adapt our strategy to reflect this change and the most practicable and cost-effective approach is to have one device that is suitable for both office and home working use, with the ability to move easily between locations.
- 8.5 Since March, the Council has successfully implemented virtual committee meetings, management meetings and staff briefings via Zoom. 65 laptops with cameras and microphones were purchased and issued to Councillors and Senior managers who required them specifically for council meetings and this has been effective in enabling the Council to continue to conduct its business virtually.
- 8.6 The opportunity has been taken to review the IT strategy and approach regarding both homeworking and office working equipment to enable an agile way of working. The use of laptops as the main device would facilitate that, allowing work to be conducted from the office or a remote location. To help ensure health and safety compliance (DSE workstation assessments) an assessment of suitable laptops will take place and 19- or 24-inch monitors, keyboards along with mice will be provided.
- 8.7 The results of the recent staff survey show that staff have adapted brilliantly to the situation, despite many challenges of juggling caring responsibilities, home schooling and makeshift offices. However, feedback from the survey also shows that staff are struggling without all the IT equipment that they need to participate in virtual meetings and stay connected to their colleagues.
- 8.8 Moving to one agile device also avoids incurring additional licensing costs with Microsoft. Microsoft changed its licensing model requiring each device to be licenced. This means that if we were to continue with users having two devices then we would need to increase the number of licences by another 104 at an equivalent annual cost of up to £395.00 each per year. The additional licencing costs would be effective from 01 April 2021 unless we move towards users having one device for working at home and in the office. The Council purchases its licenses over a 3-year period and therefore treats them as capital expenditure, so currently has a capital budget allocation of £390k in 2022/23, £426k in 2025/26 and £462k in 2028/29. These amounts were based on needing one

license per device and a unit rate of around £350 per year. Based on current prices (although the Council may receive a discount on these) and a need to have 2 licences per user from 01 April 2021, the cost in 2022/23 would be around £650k. It is expected that moving to predominantly laptops would mean that costs could be contained within (or be less than) the current capital allocations.

- 8.9 There will be additional benefits from to a move to laptops, which have not yet been fully quantified such as; the ability to implement softphones on laptops, negating the need for a physical handset in most cases. This will avoid further costs in the future when handsets reach end of life. Current costs of handsets are approximately £250 each.
- 8.10 Another long-term benefit of this approach is an increase in business continuity capabilities, through a more agile and flexible workforce, able to work from any location with networked technology. Other positive impacts of increased home working include a reduction in car travel and the impact of that on the environment, as well as potential commercial opportunities through released capacity of office space.

9. LEGAL IMPLICATIONS

- 9.1. The constitution at paragraph 5.6.39 sets out that Cabinet may exercise the following function, by recommendation to Council: The annual budget, including the capital and revenue budgets.
- 9.2. Sections 25 to 29 of the Local Government Act 2003 impose duties on local authorities in how they set and monitor their budgets. They are designed to help ensure that authorities make prudent allowance for risk and uncertainties in their budgets, and regularly monitor their finances during the year. The Local Government Act 2003 provides discretion with the authorities about the allowances to be made and action to be taken in terms of the budget and capital.
- 9.3. There are no other legal implications arising from this report.

10. FINANCIAL IMPLICATIONS

- 10.1 The capital implications are covered in sections 7 and 8 above, including the avoidance of potential additional costs in relation Microsoft licenses. It also references some potential revenue savings that may be achieved. The specific recommendations contained within this report do not increase overall capital spend, and therefore do not require an analysis of impact on funding and potential borrowing requirements. However, there is a contingent new proposed capital allocation that will be included in the capital budget presented to Council in February. Over a 10-year period up to 2030/31 the additional spend will be £220k - £55k in 2021/22, 2024/25, 2027/28 and 2030/31. Note that the spend in 2030/31 is not included in the table 3 above as that table only goes up to 2029/30. The full Investment Strategy presented to Council in February will determine how this additional spend affects how the Council funds its capital programme. Over a number of years, the Council has been able to fund its capital programme using capital receipts, although these are now diminishing. Local Authorities are able to borrow to fund capital spend and that is the position that most Councils are in. Borrowing has associated revenue costs relating to interest payments and setting aside a Minimum Revenue Provision. Overall, for every £100k of borrowing there are revenue costs of at least £4k per year

11. RISK IMPLICATIONS

- 11.1 Approving this proposal would help to minimise the risk in relation to needing additional MS licences and the cost of those licenses. The Council would still need to purchase around 359 licenses and so would still be exposed to price increases in respect of those. This proposal does relate to a new way of working and therefore comes with some risk. However, many aspects of that new way of working have been imposed upon the Council by the Covid-19 pandemic, and staff have adapted very well. The provision of laptops will provide IT equipment that is more fit for purpose and provides a device that contributes to new ways of working, and therefore is intended to reduce the risk.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equalities implications.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report, other than the benefit mentioned in 8.12 of the positive environmental impact of less car travel due to increased home working.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The results of the staff survey carried out in August, show that the majority of staff have responded well to the closure of the Council offices and the move to full home working. However, a common theme in the survey feedback was the need for the Council to provide more suitable equipment for staff to use while working from home, that include a camera and microphone to enable participation in online meetings and maintain staff engagement and connectivity.
- 15.2 This proposal addresses the feedback from staff. The capital investment will also allow large display screen monitors, keyboards and mice to be provided with each laptop to help ensure Health and Safety compliance.

16. APPENDICES

- 16.1 None

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

- 18.1 None.