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To The Chairman and Members of the Business Improvement Sub-Committee

Your Ref:
Our Ref: HM/L.3
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Date 11 April 2011

AGENDA SUPPLEMENT

Dear Sir/Madam

BUSINESS IMPROVEMENT SUB-COMMITTEE - TUESDAY 12 APRIL 2011

I refer to the agenda for the above-mentioned meeting and enclose the following items:

Item No	Report Title	Page Nos
6.	Members' ICT Options Additional information attached. <i>(Hard copies will be available at the meeting)</i>	29 - 34

Yours faithfully

Helen McAleer

Senior Committee Officer

**Report of the Interim Business Development Manager - to the
Business Improvement Sub-Committee – 12 April 2011**

Members ICT: Options Appraisal

1. Purpose of Report

This report forms a follow up to a report previously considered by the Business Improvement Sub-Committee of 30 March 2011. This report focuses upon the two options for Member ICT that received most favour by the Joint Audit and Scrutiny Panel of 2 March 2011, and provides additional detail for these options to assist members in selecting a final preferred option.

2. Recommendations

It is recommended that the Committee:

- 2.1 Support Option 1, direct provision of a laptop and printer from the Council, with on-going support and maintenance from the IT department.
- 2.2 Support a review of the provision of member IT support , to be carried out in order to ensure that it is provided in the most cost-effective manner.

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3. Information, Issues and Options

3.1 Background

- 3.1.1 A Joint Audit and Scrutiny Panel (JASP) was created to review and understand members ICT requirements in readiness for the new administration post the election in May 2011. A number of different solutions have been investigated and evaluated against different objectives such as meeting legislative and security requirements, flexibility and durability of devices along with value for money.
- 3.1.2 The report presented six options to JASP: provision of laptop, Ipad, chip PC, netbook or duo netbook, or the providing of an allowance to enable members to provide their own hardware for Council use.
- 3.1.3 The JASP and BISC have discounted four options and have determined that the two options that should be further investigated and financially validated are the provision of laptops by the Council, and the member allowance scheme.

3.2 Issues

- 3.2.1 A member allowance may give rise to a taxable benefit in kind for elected members. There is a possibility that exemption from taxation may be successfully sought, but this would be conditional upon any equipment being purchased through the

allowance being used solely for Council business, without any provision for personal use (see briefing note from Assistant Director – Finance). There would be an on-going requirement to use alternative equipment for personal use.

3.2.2 It is clear that the most significant cost for member ICT provision is the cost of support. If it is accepted that support is an essential feature of any model for providing ICT for elected members, it would be prudent to carry out a review to develop options for reducing the overall cost of support without unduly compromising the legitimate support requirements that enable members to conduct Council business.

3.2.3 Any option that does not require hardware and software support from the Council would enable a staff reduction of one full time equivalent.

3.3 Options

3.3.1 **Option 1: Laptops provided by the Council**

Under this option the Council will provide all members with new laptops, and will be responsible for the provision or replacement as appropriate of printers/scanners. The Council will continue to provide print cartridges and paper to members, and will maintain and support all hardware, software and installations including Citrix connectivity

Council-provided new laptop					
	Year 0	Year1	Year 2	Year 3	Year 4
Capital Costs (Hardware)					
Hardware costs	£29,700	£0	£0	£0	£0
Printers	£4,320				
Total Capital	£34,020	£0	£0	£0	£0
Cumulative Total Capital					£34,020
Revenue Costs					
Consumables	£1,714	£1,765	£1,818	£1,873	£1,929
Support (excl Citrix)	£28,962	£29,052	£30,192	£31,098	£32,031
Training					
Total Revenue	£30,676	£30,817	£32,010	£32,970	£33,959
Cumulative Total Revenue					£160,433
Total cost over 5 years					£194,453

Includes support from Breckland based on 1fte with on costs. Additional support not included in the costing will remain for the support of Citrix and Broadband

3.3.2 **Option 2: Member Allowance**

This option allows for members to be issued an annual allowance, front-loaded in the first year, to enable the purchase and supply by members of their own computer to a value of £550 and printer/scanner to a value of £80, within a minimum specification provided by the IT department. The allowance will also be used to enable members to supply their own printer cartridges and paper.

Whilst the Council will continue to provide and support broadband connections, and to maintain Citrix connectivity to Breckland as well as the associated applications, under this arrangement members would be responsible for the maintenance of their own laptop and printer.

support					
	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Costs					
ICT Allowance	£37,260	£3,337	£3,437	£3,540	£3,647
Consumables	£0	£0	£0	£0	£0
Support (excl Citrix)	£0	£0	£0	£0	£0
Internal training costs	£363	£0	£0	£0	£0
Total Revenue	£37,623	£3,337	£3,437	£3,540	£3,647
Cumulative Total Revenue					£51,584
Total cost over 5 years					£51,584

No hardware support from Breckland. Additional support not included in the costing will remain for the support of Citrix and Broadband

- 3.3.3 Option 2 assumes that members will have no further requirement for IT support should they be responsible for purchasing their own IT equipment. In practice, this is may not prove to be the case. In the event that equipment purchased through an allowance scheme failed, members may face a lengthy delay and costly repairs before the equipment is returned to working order. The financial implications of having a member allowance scheme but with a continuation of member support are set out in the table below.

Member Allowance - with support					
	Year 0	Year 1	Year 2	Year 3	Year 4
Revenue Costs					
ICT Allowance	£37,260	£3,337	£3,437	£3,540	£3,647
Consumables	£0	£0	£0	£0	£0
Support (excl Citrix)	£28,962	£29,052	£30,192	£31,098	£32,031
Internal training costs	£363	£0	£0	£0	£0
Total Revenue	£66,585	£32,389	£33,629	£34,638	£35,677
Cumulative Total Revenue					£202,919
Total cost over 5 years					£202,919

Includes support from Breckland based on 1fte with on costs. Additional support not included in the costing will remain for the support of Citrix and Broadband

3.4 Reasons for Recommendation(s)

- 3.4.1 Whilst the replacement of Council provided IT hardware ostensibly represents an opportunity to reduce overall costs, the savings are entirely a function of the withdrawal of support and maintenance facilities. If there is confidence that no support or maintenance is required, greater savings still could be made through the direct provision of equipment, but with no IT support; this would save an additional £8,000 over 5 years compared to Option 2.
- 3.4.2 The question that arises is whether or not there is an on-going need for support and maintenance. If the answer is yes, by choosing option 2 without such support members would be potentially taking on a significant commitment in terms of time, money and complexity to ensure their laptops and printers remain in good working order.
- 3.4.3 If on-going support is deemed necessary in all circumstances, Option 1 becomes a more attractive proposition compared to Option 2 with the cost of support added.
- 3.4.4 The available data suggests that members have required a significant amount of support for their IT hardware to date, and there is no clear evidence that this will change over the coming years.

- 3.4.5 Should very expensive repairs of maintenance be required this will be at the members' own risk, and this may disadvantage members of limited financial means.
- 3.4.6 There may well be means by which support can be provided more cost-effectively, and should Option 1 be adopted, it is recommended that a review of member IT support is carried out in order to ensure that it demonstrates real value for money

4. Risk and Financial Implications

4.1 Risk

- A risk form for decision makers has been completed in respect of the recommended option, and no significant risks have been identified.
- Any option which involves the removal of IT support for members may risk the loss of IT access for members for periods of time whilst self-supported repair or maintenance is organised.

4.2 Financial

A Proforma B is attached. The tax implications are set out in appendix 1

5. Legal Implications

- 5.1 The attached appendix sets out the taxation implications for members should option 2 be adopted.

6. Other Implications

- a) Equalities: Should Option 2 be adopted, elected members of limited financial means might be disadvantaged should there IT hardware require expensive maintenance or repair.
- b) Section 17, Crime & Disorder Act 1998: None
- c) Section 40, Natural Environment & Rural Communities Act 2006: None
- d) Human Resources: None
- e) Human Rights: None
- f) Other: [e.g. Children's Act 2004] : None

Background Papers

Report of the Director of Corporate Resources to the Joint Audit and Scrutiny Panel (Members ICT) 2nd March 2011

Lead Contact Officer:

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Key Decision Status (Executive Decisions only):

Not a key decision

Appendices attached to this report:

Appendix 1: Tax Implications

BRECKLAND COUNCIL PROFORMA B
(CAPITAL AND REVENUE BUDGETS)

FROM: Alison Chubbock (Accountancy Manager)

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS
IN RESPECT OF THE ATTACHED REPORT

REPORT: Members ICT: Options Appraisal
REPORT DATE: 12 April 2011

	2011-12	2012-13	2013-14	2014-15	2015-16	Total
	£	£	£	£	£	£
Option 1	Council-provided new laptops					
Capital costs	34,020	-	-	-	-	-
Capital budget	34,020	-	-	-	-	-
(Saving)/Additional cost	-	-	-	-	-	-
Revenue costs	30,676	30,817	32,010	32,970	33,959	
Revenue budget	31,562	31,652	32,732	33,490	34,271	
(Saving)/Additional cost	(886)	(835)	(722)	(520)	(312)	(3,275)
Option 2	Member Allowance – No Support					
Capital costs	-	-	-	-	-	-
Capital budget	34,020	-	-	-	-	-
(Saving)/Additional cost	(34,020)	-	-	-	-	(34,020)
Revenue costs	37,623	3,337	3,437	3,540	3,647	
Revenue budget	31,562	31,652	32,732	33,490	34,271	
(Saving)/Additional cost	6,061	(28,315)	(29,295)	(29,950)	(30,624)	(112,123)
Option 3	Member Allowance – With Support					
Capital costs	-	-	-	-	-	-
Capital budget	34,020	-	-	-	-	-
(Saving)/Additional cost	(34,020)	-	-	-	-	(34,020)
Revenue costs	66,585	32,389	33,629	34,638	35,677	
Revenue budget	31,562	31,652	32,732	33,490	34,271	
(Saving)/Additional cost	35,023	737	897	1,148	1,406	39,211

Considered by: Business Improvement Sub Committee
Date: 12/04/11

Financial Services Comments

Option 1

This option is affordable within the current capital and revenue budgets, generating a small revenue saving each year.

If approval for option 1 is given £34,020 should be released from the ICT Refresh budget to allow purchase of the replacement laptops and printers.

Option 2

This option does not require any capital funding, which would free up £34,020 for alternative capital projects.

A net revenue saving of around £112k is generated over the 5 year period, which could be put towards the Council's current efficiency requirement. However there may be redundancy costs associated with this option which have not been included within the costings.

If approval for option 2 is given, the revenue saving generated should be allocated to the corporate efficiency target.

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Option 3

This option is not affordable within the current revenue budgets and therefore should not be approved unless alternative funding is identified.

Other Comments

If option 1 were provided without the support element, a revenue saving of around £29k per year would be generated.

Options 2 and 3 assume part of the allowance is front loaded to enable purchase of equipment, rather than the allowance being spread equally across the five years.

Financial Risk

These are discreet options and therefore it would be difficult to introduce a cost effective support model with a mixture of options.

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