



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Digital and Customer Services
LEAD OFFICERS:	Strategic Director of Resources (SIRO)
DATE:	17 August 2022

PORTFOLIO/S AFFECTED:	Digital and Customer Services
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WARD/S AFFECTED:	(All Wards);
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SUBJECT: Entering into a contract for Wide Area Network (WAN) and Network refresh
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1. EXECUTIVE SUMMARY

To seek approval from the Executive Member for Digital and Customer Services to award a contract for WAN and Network refresh as well as the associated funding.

2. RECOMMENDATIONS

That the Executive Member:

- Approves the award of the contract for the Councils WAN and Network refresh to The Networking People (TNP) for a three year period.
- Approves the increase to the department's annual revenue budget from the 2023/24 financial year of £27k.

3. BACKGROUND

WAN

The Councils current contract for WAN has now ended, this was provided through TNP on the previous Blackpool framework and was originally installed in 2015. The WAN currently connects 58 schools and 49 Council sites together and is required in order to provide data and internet services, the solution joins up with telephone exchanges as well as linking to Council owned dark fibre circuits, this provides a cost effective method of providing high capacity circuits to outlying sites as they are linked to the exchanges using cheaper, shorter lines. The solution is very flexible allowing the Council to cancel and upgrade circuits when additional bandwidth is required or requirements change. The new contract will see the Council continuing with the existing proven solution for the next three years avoiding Capital expenditure and resources in installing a new network. The department has currently gone out to schools for the supply of the WAN service for the 2023/24 financial year, the current contract with TNP allows the Council to cancel existing circuits as required therefore reducing any financial risks to the Council should schools decide to leave the service.

Network Refresh

The Councils services are supported by circa 500 network devices (switches, routers and access points) which are used to connect Council devices to the network. The core network infrastructure is currently out of mainstream vendor support with the department relying on 3rd party support which is only available whilst spare parts are obtainable and are often having to be imported from abroad. The

Council originally invested in its core switches in the main data centre in 2011 with Duke Street hardware being installed in 2013 and core network switches in 2015, for outlying sites there has been little investment in this area with switches only being replaced on an adhoc basis when these fail. Due to the future risk in this areas it is proposed that the department will deliver a technologically advanced architecture that is capable of supporting Blackburn with Darwen Borough Council's Digital Transformation and has been planned for in the Digital Strategy. This is to allow for a fully resilient, operationally efficient and cloud prepared next generation network that will support new digital features and services.

The Digital Strategy 2021 – 2024 work stream 4 identifies the need for secure and resilient technology. Coupled with the ongoing partnership with other agencies, and potential future commitments, the Council needs to be confident that the IT infrastructure can support the substantial reliance on technology.

The refresh will be performed in 4 phases;

Phase 1 – Core Network – Replacement of the main core switches at the Councils data centres and installation of a new network monitoring solution.

Phase 2 – Site Upgrades – Upgrade of all switches and routers at the Councils outlying sites.

Phase 3 – Managed Core Network – Replacement of switches that provide the underlying core network.

Phase 4 – New Internet Pipes - Installation of new increased capacity internet pipes.

The new solution will bring the following benefits;

- Removes significant risk of network outages
- Optimal traffic performance with little complexity
- Easier Management of our networking stack
- It provides the Council with the capacity to scale, evolve and accommodate new technologies whilst providing essential monitoring and management to enable effective troubleshooting.
- Enables the business drivers to increase their offering in to the Internet of Things, Big Data and a greater number of digital services.
- Will allow the Council to continue to offer an infrastructure that allows our ongoing partnership working to flourish.
- Meets the Digital Strategy workstream 4 and allows new levels of resilience to our systems which our citizens and our staff are now reliant upon.

The framework set up by Blackpool Council named Blackburn with Darwen as a participating authority within the tender documents. Under the framework there are set rates for all professional services which are delivered which are well under the industry average. The provision of WAN circuits and the provision of networking equipment are provided on a cost plus basis. The contract is also open book accounting. Given the level of expenditure the Council will audit all costs incurred under the programme.

4. KEY ISSUES & RISKS

Our core network infrastructure is now 'out of vendor support' and requires replacing. If no action is taken to replace these network devices there is a substantial risk that may:

- cause failure and disruption the Council's digital services, CCTV, UTC and Police communication
- Increase the vulnerability of malicious cyber-attacks due to the unavailability of security patches
- present performance degradation due to inability to support the traffic traversing them

The impact of network equipment failure is experienced across all services. Doing nothing as an option ensures the failure of the Council's Digital Transformation Journey and presents a real risk to Council operations . (The Digital Strategy 2021 – 2024 work stream 4 identifies the need for secure and resilient technology.)

5. POLICY IMPLICATIONS

The Council needs to adopt the Government's Digital Service Strategy whilst delivering its services – making services available to its citizens from anywhere and at any time. Information, Communication and Technology underpins the delivery of the Council's priorities. The Wide Area Network allows remote sites to connect to ICT Services anywhere on the internet.

6. FINANCIAL IMPLICATIONS

WAN

The Council currently spends £175k per annum providing its internet connectivity and WAN circuits under the current contract. This cost will remain the same under the new contract and is within existing budgets. Under the contract the pricing to the Council changes where the wholesale price changes allowing the Council to benefit from any reductions in costs.

Network Refresh

Capital Costs

The Capital costs for the new solution are below;

	Equipment Costs	Professional Services
Phase 1 – Core Network	£182,272	£14,875
Phase 2 – Site Upgrades	£160,000	£12,375
Phase 3 – Managed Core Network	£44,609	£12,375
Phase 4 – New Internet Pipes	£10,160	£2,500
Total	£397,041	£42,125

The £439k investment will be funded through the existing Network Refresh capital budget of £581k approved by Finance Council for 2022/23. There will be additional costs against the capital budget for internal ICT staff working on the project estimated at £50k.

Revenue Implications

The new solution will be provided with a three year software maintenance package costing £23k and a five year hardware maintenance package costing £119.4k, there will also be costs for the new internet pipe of £28.2k, this results in a total annual cost of £59.7k. The department currently has a revenue budget of £32.6k and therefore will require an annual revenue increase of £27k to fund the new solution. This will be factored into the Council's medium financial plan to be funded through growth, should any savings arise within the IT budget then these will be used to fund this instead.

7. LEGAL IMPLICATIONS

The procurement process used by Blackpool Council complied with the requirements of the Council's Contract and Procurement rules and the Public Contracts Regulations 2015.

8. RESOURCE IMPLICATIONS

The project will be largely managed by the service provider however there will be a small resource implication for the department which will be factored into existing work plans.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

None with this report, as it is replacing a like for like service.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	1
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CONTACT OFFICER:	Peter Hughes
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DATE:	21/07/2022
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BACKGROUND PAPER:	None
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