

Report to:	EXECUTIVE CABINET
Date of report:	24 April 2019
Executive Member/Reporting Officer	Councillor Bill Fairfoull – Deputy Executive Leader Tim Rainey, Assistant Director, Digital Services.
Subject	LAPTOP REPLACEMENT AND WINDOWS 10 DEPLOYMENT
Report summary:	<p>The Council has a fleet of 2,254 laptops which operate using either Windows 7 or Windows 10 operating systems from Microsoft.</p> <p>The Council signed a new 3 year licensing deal for the Windows10 operating system in May 2018. This agreement means all the Councils laptops can now utilise this latest version of the software however a large number of existing devices are not capable of running this new operating system which requires more power and memory than its predecessor.</p> <p>Windows 7 operating system is now nearly 10 years old and will reach end of life on 11 January 2020. At this point it will no longer be supported by Microsoft which means no further security patches and updates will be produced. Systems still using this operating system will then become vulnerable to cyber-attack.</p> <p>To date we have replaced 691 laptops with higher specification devices and Windows 10 operating system leaving 1,563 still to do. Of these a further 264 devices will be replaced using existing funding in 2019/20 leaving the balance of 1299 outstanding and requiring funding.</p> <p>These devices must be replaced as a matter of urgency and before Microsoft support ceases in January 2020 if the Council is to avoid putting systems and data at risk of cyber-attack. The required funding for these devices has already been included in the Capital Programme prioritisation process as agreed by Executive Cabinet on 27th March in which it was identified as a high priority.</p> <p>A full business case and options appraisal for the replacement of the Office 10 software is also being prepared in close collaboration with the finance team. This software reaches end of life in August 2020 and will need to be replaced with a more up to date version.</p> <p>Greater Manchester Pension Fund is currently investigating options to replace their fleet of laptops and upgrade to Windows 10. This will be done in conjunction with the wider Council roll-out to avoid any technical issues. They will also work with the Council on the deployment of the replacement Office 10 software.</p>
Recommendations:	<ol style="list-style-type: none"> 1) Approve funding for the purchase of 1,299 new laptops at a cost of £688k as set out in section 3. 2) Work with Finance to identify appropriate funding for rolling laptop replacement programme beginning in 2020/21.

**Financial Implications:
(Authorised By the Section
151 Officer)**

In July 2018 Executive Cabinet received a report setting out the capital pressures that are facing the Council. The report recommended that the programme as approved in October 2017 would need to be reprioritised, and noted that the size of the capital programme would be dependent on the level of capital receipts realised.

A report was approved by Executive Cabinet on 27 March 2019 setting out a proposed methodology for prioritisation of earmarked schemes. The prioritisation methodology approved by Executive Cabinet will enable those earmarked schemes which score highly to proceed, but funding remains dependent on the realisation of planned capital receipts.

The proposals set out in this report for device replacement score highly against the prioritisation methodology due to the business critical nature of the required investment. The report is requesting capital funding of £688k for the replacement of 1,299 devices. These devices must be replaced before the end of 2019.

As set out in section 1 of the report, an options appraisal and full business case for the replacement of a number of inter-related Microsoft software products is also being developed which will require further, but less urgent, investment. Section 2 of this report also identifies the need for a rolling replacement of devices going forward. These, and any other IT investment requirements identified in the Digital Strategy, will need to be supported by a sustainable funding strategy to reflect the relative short life of IT assets.

**Legal Implications:
(Authorised By Borough
Solicitor)**

Failure to invest in systems in accordance with advice is false economy, and the business of the Council must not be put at risk of cyber-attacks which threaten data and the closure of those systems, and the serious legal financial and reputational consequences which flow. That said the Council must ensure it delivers a balanced budget and any expenditure can be demonstrated to be value for money.

Access To Information:

The background papers relating to this report can be inspected by contacting Julie Hayes, Head of ICT Strategy and Operations, Digital Services by:



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1 BACKGROUND

- 1.1 ICT is embedded in the everyday operations of services and is a crucial part of their evolution and transformation, providing the technology to support shared services and new delivery mechanisms. A new Digital Strategy is currently being developed which will detail how we will use technology to drive forward this change and support new ways of working across the Council as well as supporting economic development, skills and help to reduce digital exclusion.
- 1.2 The Council's programme of embracing agile and modern working practices, rationalising office accommodation, eliminating unnecessary administration, and sharing information more effectively across the organisation, and with partners, requires that technology is effective, modern and compliant.
- 1.3 Every day we rely on Microsoft Office products to write reports, produce spreadsheets, manage our diary and send emails yet the technology we use is nearly 10 years old and will soon put our systems and data at risk if we do nothing to replace and update it.
- 1.4 The Council has a fleet of 2,254 laptops which operate using either Windows 7 or Windows 10 operating systems from Microsoft. In May 2018 the Council signed a new 3 year licensing agreement with Microsoft for their new Windows 10 operating system. The previous 3 year agreement (for Windows 7) cost £28k per year, whilst the new agreement costs 3 times more (£73k per year). The costs for these licenses are negotiated on a national level for UK Government.
- 1.5 This new agreement means all the Councils laptops can now utilise this latest version of the software however a large number of existing devices are not capable of running this new operating system which requires more power and memory than its predecessor.
- 1.6 The Windows 7 operating system is now nearly 10 years old and will reach end of life on 11 January 2020. At this point it will no longer be supported by Microsoft which means no further security patches and updates will be produced. Systems still using this operating system will then become vulnerable to cyber-attack.

2 PROPOSED INVESTMENT

- 1.7 To date we have, or are in the processes of replacing 691 laptops with higher specification devices and Windows 10 operating system leaving 1,563 still to do. Of these a further 264 devices will be replaced using existing "managed service" budget in early 2019/20. A further 167 devices are being transferred to the ICFT however these along with the remaining shortfall of 1132 devices need funding.
- 1.8 The table below details 4 options considered during the decision making process. The first "Do nothing" option was discounted because this would leave the Councils systems and data at risk from cyber security breaches.
- 1.9 The second option would provide increased functionality and flexibility through the introduction of 400 Lenovo MIIX laptops to the fleet. These devices can be used as a standard laptop or a tablet if required. This option would meet the Windows 10 and also seamless working requirements whilst also offering more flexibility, but was discounted because of the increased £75k costs.
- 1.10 The third option involved replacing all monitors with new "Wide Screen" devices (As used in Tameside One). This option adds no value to the Windows 10/security requirement but would have negated the need to have adaptors which would otherwise be needed to enable

the new laptops to connect to the old screens. This was discounted because of the increased £164k cost.

- 1.11 Option four is the recommended option and would see all devices upgraded to Lenovo ThinkPad L380 laptops which meet both the Windows 10 and seamless working requirements. This option is also the bare minimum and cheapest option. Should services require the additional functionality of a tablet device (MIIX) then they would have to fund the up-lift in costs from within their own budgets.

	Option 1 Error! Reference source not found.	Option 2 Replace 20% of laptops with MIIX Tablets and the remainder with standard L380 laptop	Option 3 Replace all monitors with wide screen	Option 4 Replace all laptops with the same L380 laptop
Spending Objectives				
Ensure all corporate devices are fit for purpose, capable of running Windows 10 and therefore maintaining device security.	x	✓	x	✓
Ensure all corporate device are capable of working seamlessly at all Council locations	x	✓	✓	✓
Summary	Discounted This option would leave the councils systems and data vulnerable to cyber security breaches and could not be safely connected to the council or partner networks.	Discounted. This option would meet all the requirements but cost £75k extra.	Discounted. Whilst this option would negate the need to use adapters to connect older monitors to new laptops, it adds no value in terms of windows 10 compatibility or device security and would cost an extra £164k.	Recommended. This is the minimum option which meets all the requirement and offers the best value. If services need tablet devices for specific purposes they must pay the uplift in costs.

- 1.12 These devices must be replaced as a matter of urgency and before Microsoft support ceases in January 2020 if the Council is to avoid putting systems and data at risk of cyber-attack. Due to the high number of devices and the logistics involved in deploying them across the organisation it's imperative that this large scale roll-out begins as soon as possible and no later than June 2019.
- 1.13 A full business case and options appraisal for the replacement of a number of inter-related Microsoft software products with more up to date versions is also being prepared in close collaboration with the finance team. This includes software such as Office 10 software that's used across the Council for producing documents and spreadsheets, Exchange 2010 for email, SharePoint, Skype for Business, SQL Database server licensing and Data Centre licenses for the server operating systems in our main Data Centre and also in the Councils new Disaster Recovery Data Centre. Many of these products are nearing end of life and will need to be replaced before Microsoft withdraw support.

3. DEVICE REPLACEMENT COSTS

- 3.1 The table below summarises the current position in terms of devices that have already been renewed and the short fall of 1299 (167 for ICT and 1132 balance of Council fleet) that need to be replaced.

Quantity	Description	£'000s
264	Laptops to be funded from managed service 2019/20 budget	140
511	Laptops replaced from managed service 2018/2019 budget	269
180	Laptops funded through Tameside One	95
	Funded from existing budgets	504
167	Laptops transferring to ICFT (Funding required)	89
1132	Balance of Laptops to be replaced (Funding required)	599
	Total Funding Required	688

- 3.2 From this point forward the laptop fleet will need to be refreshed on a rolling 4 year programme. This means 399 devices, costing around £211k which were originally put in service running Windows 10 in early 2018 will be ready for replacement towards the end of 2020/21.
- 3.3 The remainder of fleet will then need to be swapped over the subsequent 3 year period. This equates to around 562 devices per year costing £298k per year. The managed service budget is currently able to fund £140k per year so there is a need to work closely with colleagues in Finance to identifying appropriate sustainable funding methodology to support this shortfall and the wider IT Strategy funding requirements.

4 FINANCIAL INVESTMENT REQUIREMENTS

- 4.1 The Capital Investment required to purchase the hardware - 1299 Lenovo Think Pad L380 laptops - is £688k. Other costs relating the operating system (Windows 10) have already been purchased on a 3 year contract and for the time being all the laptops will have the current Office 2010 suite of software installed. Once a decision on the most appropriate way of updating the Office 2010 software is made, a further report detailing the funding requirements will be produced.
- 4.2 There are no revenue implications for these devices as they come with extended warranty which means maintenance cover for them is not required.

5 PROJECT DELIVERY

- 5.1 The new devices will be procured through the existing laptop contract and will be built and delivered with a pre-installed Tameside image which means that the deployment of the new laptops can be done quickly and with minimum setting up. That said all the new devices will need to be deployed before Christmas 2019.
- 5.2 It is intended to begin the roll-out of the new devices by the middle of May and to put in place a rolling programme using existing staffing resources which will see around 35 new laptops being deployed per week from then until mid-December. This will ensure all 1299 devices are issued to staff within the required timescales.

6 GREATER MANCHESTER PENSION FUND

- 6.1 Greater Manchester Pension Fund is currently investigating options to replace their fleet of laptops and upgrade to Windows 10. This will be done in conjunction with the wider Council roll-out to avoid any technical issues. They will also work with the Council on the deployment of the replacement Office 10 software. These will be funded directly by the pension fund.

7 RECOMMENDATIONS

- 7.1 As set out on the front of the report.