



**AGENDA ITEM: 14**  
**SUMMARY**

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>26 June 2012</b>
<b>PART:</b>	<b>I</b>
If Part II, reason:	

<b>Title of report:</b>	<b>CAPITAL STRATEGY STEERING GROUP REPORT REQUEST FOR CAPITAL APPROVAL</b>				
<b>Contact:</b>	Cllr Nick Tiley, Portfolio Holder for Finance & Resources. Sally Marshall, Corporate Director (Finance & Governance). Author: Shane Flynn, Assistant Director (Finance & Resources).				
<b>Purpose of report:</b>	To seek approval of capital provisions within the Capital Programme 2011/12-2016/17 and amendments to the Capital Programme approved by Council on 29 February 2012.				
<b>Recommendations</b>	Cabinet recommends to Council to approve the amendment of the Capital Programme to include the following schemes:  <table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">Co-location of the Council’s Data Centre</td> <td style="text-align: right;">£194,000</td> </tr> <tr> <td>External Electrical Supply to Town Centre</td> <td style="text-align: right;">£45,000</td> </tr> </table>	Co-location of the Council’s Data Centre	£194,000	External Electrical Supply to Town Centre	£45,000
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<b>Corporate objectives:</b>	Capital investment is important to the achievement of the Council’s objectives.				
<b>Implications:</b>	The proposal is in line with the approved budgets, financial regulations and financial projections.				
<b>Monitoring Officer/ S151 Officer Comments</b>	<b>Monitoring Officer</b>  No further comments to add to this report  <b>Deputy Section 151 Officer</b>  This is a section 151 Officer report				
<b>Consultees:</b>	Capital Strategy Steering Group				

Background papers:	CSSG files
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## BACKGROUND REPORT

1. The Capital Strategy Steering Group (CSSG) has been tasked by Cabinet with operating the control and evaluation processes over the Council's capital funds and the application of Section 106 funding as required.
2. This includes receiving requests from departments for evaluation of proposed capital schemes. Once evaluated by CSSG, those proposed schemes are brought to Cabinet by CSSG for determination. CSSG subsequently has a remit of monitoring the performance and progress of the approved schemes.
3. CSSG have considered the following proposed scheme, which was approved for consideration by Cabinet to recommend to Council to amend the capital programme to include the following scheme.
4. **Co-location of the Council's Data Centre**
  - 4.1 This project covers the costs of moving the current Civic Offices ICT Server Room to an external hosting centre, including the ongoing costs for renting floor space and connecting to the new facility. This facility will provide a long-term 'cloud' location for DBC systems and enable an ICT partnership between Dacorum Borough Council (DBC) and Aylesbury Vale District Council (AVDC) to deliver medium-term efficiencies.
  - 4.2 The migration to a hosting centre reacts to the Council's PSQ and Flexible Working strategies and overcomes the issues of the current ageing, non-resilient facility.
  - 4.3 By relocating to a 'cloud' hosting centre, moving the main body of staff to interim and then final premises will not require the building of a data centre at these locations.
  - 4.4 The proposed data centre location is at the offices of Chiltern Council in Amersham where Bucks County Council (BCC) has one of its main data centre facilities. The proposal is for DBC to 'rent' serviced rack space including the provision of power, air conditioning and fire suppression, but to house and manage their own server, network and storage equipment within these racks.
  - 4.5 This plan compliments the current strategy to create an ICT partnership with AVDC as they also use a Bucks CC data centre in Aylesbury to host their services. With connectivity between the two data centres there will be an opportunity to build resilience, business continuity and disaster recovery effectively into the design.
  - 4.6 Although over a 5 year period savings in excess of £500k are shown, this is not the main driver for this project. The project offers long term opportunities through a shared ICT service with AVDC and greater

reliability and performance through the improved quality of the new core equipment.

- 4.7 The savings arise from not having to commit twice to build and move the data centre through the Public Service Quarter (PSQ) project. The PSQ costing model includes costs associated with the development of a data centre. This cost line can be deleted from the estimated costs of the PSQ as a result of this alternative approach. The capital expenditure therefore represents an investment that will result in future savings and qualifies for inclusion in the programme under the terms of the capital strategy.
- 4.8 This project links to the Council's strategic objectives as follows:-

#### **Safe and Clean Environment**

Reduce the impact the Council has on carbon emissions in to the environment an estimate of the saving the Council would make in CO2 is 71k kg per annum.

#### **Regeneration**

In order to enable the delivery of the PSQ project and subsequent regeneration of the town the Council need to enable a more resilient and flexible ICT solution. Moving to a remote data centre shared with AVDC will be one of the key elements of achieving this.

#### **Dacorum Delivers**

This project is a corner stone of the ICT shared service with Aylesbury Vale District, which in itself will deliver medium-term savings through efficiencies and a single ICT structure

- 4.9 The capital cost of this project is broken down as follows:

Primary Storage Area Network (SAN) Dell Equallogic iSCSI SAS 15k 20Tb	£60k
Secondary SAN Dell Equallogic SATA 7k 20Tb	£25k
ESX Dell Physical Servers x 8	£40k
Netscaler appliance	£4k
Core Network Switches	£20k
Upgrade & Migrate Backup Facility and DMZ	£5k
The purchase of software licences associated with the flexible working solution	£27k
First year cost for network connectivity and data centre hosting	£13k

**TOTAL** **£194k**

- 4.10 The capital cost will be met through use of existing capital resources within the programme in the first instance. . Discussions are to take place at the PSQ board whether the capital costs are reimbursed from the PSQ reserve.
- 4.10 The revenue costs associated with this project are £98k for first full year and then future year rental of serviced rack space and network circuits.

## **5. External Electrical Supply to Town Centre**

- 5.1 This project is seeking to replace an existing electrical supply system which is no longer fit for purpose or safe to use following a number of years where repairs have been made to the point where this is no longer safe or viable. The system supports Christmas lighting in the Town Centre as well as supplies to other events and systems.
- 5.2 A new supply system would enable the delivery of a range of events and services within the Town Centre and contribute to the overall regeneration of the Town Centre enabling communities to thrive and prosper
- 5.3 For Health and Safety reasons, there would not be a viable or safe electrical supply for Christmas decorations or any events in the Town Centre including the bandstand unless the works are undertaken. This would have a detrimental impact on the Council's reputation. The scheme is therefore deemed necessary under the Capital strategy on the grounds that there is an urgent need to secure relevant assets.
- 5.4 This project links to the Council's strategic objectives as follows:-

### **Regeneration**

This project will support the wider regeneration of the town centre and provide an electrical supply to the town centre infrastructure.

### **Safe and Clean Environment**

The existing system is no longer safe to use and cannot be supported by further repairs.

### **Building Community Capacity**

Contributes to community events in the Town Centre including DBC, partnership and 3 sector events.

### **Dacorum Delivers**

The lack of provision of Christmas decorations or the ability to provide an electrical supply to the town centre events would have a significant detrimental impact on the Council's reputation.

- 5.5 It was agreed the capital cost would be funded through capital receipts to facilitate the urgency of this project. Discussions will take place whether the use of S106 monies would be more appropriate. If this is found to be the case, the necessary adjustments will be made.
- 5.6 There are no additional ongoing revenue costs associated with this project.