

**CABINET**  
**15 JANUARY 2013**  
**THIN CLIENT TECHNOLOGY**

Portfolio Holder: Councillor Tom Mason, Corporate Services

Report from: Tricia Palmer, Assistant Director Organisational Services

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**Summary**

This report seeks approval from Cabinet to recommend funding to implement thin client technology for inclusion within the capital programme for 2013-2014, due to be considered by Full Council as part of the budget setting in February 2013.

The 'Better for Less' transformation programme is reviewing all aspects of service delivery across the Council, and desktop technology is now being reviewed to achieve maximum efficiencies by implementing thin client technology and upgrading the desktop software to a more current version of Microsoft product.

Thin client is a technology whereby all of the processing is carried out on servers in the data-centre rather than on the PC or laptop, which means that the PC on the desktop can be replaced with a low power, more efficient device. This achieves lower purchase and running costs with tighter security, yet gives staff greater opportunities to work more flexibly – sharing desks in the office, mobile working out of the office, and on occasions, working at home.

There is no proposal to let a timed contract for the ICT hardware or software, as ICT will continue to use EU compliant framework agreements as a mechanism to achieve legally compliant procurement whilst ensuring value for money. However, whilst the project has been approved by Procurement Board at Gateway 1, no funding can be made available until this project is included within the capital programme.

The Gateway 1 report was approved by the Monitoring Officer following consideration at the Procurement Board on 16 May 2012. as a Category B medium risk procurement with a total contract value above £250,000.00 that does not have any political implications or service sensitivities that Cabinet should be aware of and as such did not require Cabinet approval.

## **1. Budget and Policy Framework**

1.1 The inclusion of new schemes in the Capital Programme is a matter for Full Council on recommendation from Cabinet.

1.2 The procurement and implementation of thin client technology directly links into the following Council Strategic Priorities and Core Values:

- Giving value for money

By implementing thin client technology, the Council is able to command significant cost savings through a reduced cost of device acquisition, reduced energy consumption and improved asset management through centralised control.

1.3 Strategic Council Obligations

- Medway Council Plan

This project supports the Medway Council plan in the following areas:

Safe, clean and green Medway Council

Thin client will support the Council in reducing its own carbon footprint. It is estimated that the current PC estate emits approximately 78 tonnes of CO<sub>2</sub> in comparison to an estimated 6.3 tonnes for thin client devices.

- Other Strategic Council Obligations

Better for Less

Thin client will provide a more cost effective desktop device for Council staff. It is estimated that thin client uses 80% less energy to function, devices are cheaper to purchase, and last longer than traditional PCs.

## **2. Background**

2.1 Thin client technology will achieve significant cashable and non-cashable savings for the Council. Details of the funding requirements and the savings to be achieved are within the Exempt appendix accompanying this report.

2.2 The project will support the introduction, as part of 'Better for Less', more flexible ways of working, such as the use of mobile technology, the ability to use personal devices (within a required policy framework), the ability to 'hot desk' linked with the accommodation strategy, and the ability to work from home, all whilst ensuring that Council data remains secure.

2.3 The current desktop estate is at a point where a large percentage of devices are aging and are not fit for purpose and unable to function effectively for the new software being introduced within the 'Better for Less' transformation programme. It is therefore important that this aging technology is replaced with newer, but cheaper and more efficient technology as soon as possible.

- 2.4 Thin client devices have no moving parts and last significantly longer than the traditional PC. They can sit on the desktop or can be mounted to the rear of the monitor out of sight, freeing up space on or under the desk. Because these devices have no fan, noise levels are eradicated and heat emissions also greatly reduced, with energy consumption cut to the point that the units consume power similar to household audio/video equipment that is left on standby. In addition, there is a significant reduction in carbon emissions.

### **3. Options**

#### **3.1 Defer to a later capital programme**

Advantages:

- 3.1.1 No investment would be required during 2013-2014.

Disadvantages:

- 3.1.2 Approximately 30% of equipment is too old to function using new versions of software being introduced across the Council, and so these would need to be replaced. The annual average expenditure on equipment from devolved budgets would continue at an average annual cost of £240,000 with no centralised control over expenditure or equipment renewals.

- 3.1.3 Efficiencies of thin client technology would not be achieved.

- 3.1.4 In April 2014, the existing desktop software will no longer be supported by Microsoft and will thus fall outside of the requirements of the Code of Connection and best practice guidelines. This means that Medway Council will be disconnected from the Government Secure Extranet and we will no longer be able to communicate with DWP electronically which will impact on the Housing Benefit service provided.

#### **3.2 Private sector collaboration e.g. Private Public Partnering/Private Finance Initiatives**

- 3.2.1 The option of funding sources via private sector collaboration between Medway Council and other external private sector organisations has been considered but no such opportunities exist. Discussions have been held with key partners such as Virgin Media, Microsoft and Dell to explore opportunities, but no firm proposals were forthcoming. Leasing proposals were investigated, and a review of comparative operating lease rates undertaken from 5 IT lessors. These were considered by the Chief Finance Officer, but were not considered as financially advantageous as prudential borrowing.

#### **3.3 Recommend for inclusion within the proposed capital programme for 2013-2014.**

Advantages: Thin client implementation and aging desktop software can be replaced, and benefits achieved within the next financial year.

Disadvantages: None.

## 4. Advice and analysis

### 4.1 Preferred option

Further to an extensive review of options as highlighted within Section 3 'Options' above, the following preferred option is recommended to Cabinet:-

Option 3.3 - Cabinet to recommend that this project is included within the proposed capital programme for 2013-2014.

### 4.2 Sustainability

Thin client technology uses significantly less energy and supports a reduction in the Council's carbon footprint.

It is estimated that thin client technology uses 80% less energy than the existing PCs.

It is estimated that thin client technology will deliver a reduction of 44 tonnes less CO2 in comparison to the current PC estate emission of 78 tonnes.

### 4.3 Diversity

There are no significant changes in the use of thin client technology as opposed to PCs.

## 5. Risk management

<b>Risk</b>	<b>Description</b>	<b>Action to avoid or mitigate risk</b>	<b>Risk rating</b>
Non availability of funding	Funding is not available for 2013-2014	Recommendation made to Full Council to include project in 2013-2014 capital programme	C2
Funding – forecast cost of project falls short	Funding identified is not sufficient to fully implement thin client technology and to replace out of date software	Robust procurement and negotiations to secure most cost effective solution	D2
Funding – forecast cost of project excessive	Funding identified is forecast over and above what is actually required.	Use of analytical tools will determine more accurate numbers prior to procurement	D4

## **6. Consultation**

- 6.1 Internal stakeholder consultation has taken place with the Corporate Management Team, Procurement Board, Better for Less, and the Chief Finance Officer.
- 6.2 The project has been approved by the Monitoring Officer after consideration by Procurement Board at Gateway 1 stage.
- 6.3 External consultation has taken place with other Councils who have adopted thin client technology, with partners within the SE7 partnership and with key suppliers of thin client hardware and software.

## **7. Financial and legal implications**

- 7.1 The proposed procurement method will meet the Council's legal obligations and there are significant operating and financial efficiencies to be gained from the project. A full financial appraisal is set out in the exempt appendix.

## **8. Recommendations**

- 8.1 That Cabinet recommend to Council that this project is included within the capital programme for 2013-2014.

## **9. Suggested reasons for decision(s)**

- 9.1 Thin client technology will achieve significant benefits, both cashable and non-cashable, for the Council.
- 9.2 Thin client technology will support the delivery of 'Better for Less' requirements.

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### **Background papers**

Gateway 1 report, approved by Procurement Board 2012