
REPORT OF

The Strategic Director for Place

To Lead Member for Environment and Community Safety

On

28th September 2020

TITLE: Replacement of SCL IT equipment

RECOMMENDATION:

Lead Member:

approves the virement of £0.168m within the 2019/20 Place capital programme to finance the replacement of Salford Community Leisure IT equipment.

delegates authority to the Strategic Director, Place to raise a purchase order for the IT equipment to the value of £0.168m

EXECUTIVE SUMMARY:

Salford Community Leisure (SCL) employees are currently furloughed as a result of Covid 19. In order to allow employees to work remotely once furlough ends, new IT equipment and software to replace current equipment that does not meet the required specification.

The replacement does not fall under the existing service level agreement between the Council. As a result the Council has agreed to finance the initial purchase using capital resource with reimbursement from SCL over the remaining period of the management agreement

Capital resource of £0.168m has been identified within the Place capital programme as being unable to be committed or spend this financial year. As a result, approval is sought to vire this value of capital resource within the programme to finance the cost of replacement IT equipment and software.

The vired resource will allow an order to be raised to purchase of the IT equipment and software in time for the return of SCL employees.

BACKGROUND DOCUMENTS: N/A

KEY DECISION: YES

DETAILS:

1. Background

The Place capital programme is subject to robust monitoring and reporting processes to ensure effective and timely investment of resource associated with services under the Directorate.

This process ensures Place DMT has visibility on any opportunities to maximise investment, finance new capital requirements or resolve emerging budget pressures across services in each financial year.

2. Proposed virement

Salford Community Leisure (SCL) manages the Council's cultural and leisure assets across the City. The Council has a service level agreement to provide ICT services for SCL. Whilst this agreement covers services, it does not cover the replacement or upgrade of ICT equipment. There is no contractual obligation for the council to provide ICT kit to SCL and as such, it has been agreed that SCL will reimburse the council for the cost of this ICT kit purchase.

The replacement of ICT equipment for SCL employees was not identified in the approved capital programme for 20/21. The existing equipment met the needs on the basis of employees being based and using ICT equipment at the Civic Centre.

A large number of employees from SCL have been furloughed since lockdown measures were imposed in March 2020. As part of the arrangements for SCL employees to return from furlough and work from home, and as a result of the switch to Windows 10, there is now a need for the Council to purchase IT equipment and new software that meets required specification to allow this.

The replacement of IT equipment and software for SCL employees at a cost of **£168k** will need to be initially financed by the Council. Resource from the Place capital programme has been made available as a result of the on-going robust monitoring of the programme to re-prioritise investment to meet service requirements.

The resource to finance the replacement derives from the following elements of the Place capital programme that sit within your portfolio:

- Salford Community Leisure (Salford Museum and Art Gallery) – current capital allocation is £189k. Allocation is to provide investment to enhance visitor experience through improvements to existing galleries or refurbishment

of additional space. Allocation is also used as match funding to secure external grant. SCL have confirmed that based on current investment requirements a total of **£114k** of the Council capital allocation can be re-prioritised to finance replacement of IT equipment. Existing capital resource against this budget will meet cashflow needs used to undertake planned improvements and to allow preparation of funding bids to secure additional grant funding by Mar 21.

- Regulatory Services (Empty Properties) – £80k capital resource confirmed as available on basis will not be spent by Mar 2021 due to inability to progress further schemes during lockdown. The existing schemes within the Empty Properties programme are progressing and will complete by March 21. **£54k** of this budget will be vired to Salford Community Leisure capital budget to finance the replacement of IT equipment.

Upon agreement, a purchase order for the equipment will be raised to enable delivery of the equipment in time for the return of SCL employees from furlough.

KEY COUNCIL POLICIES:

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

Impact assessment and implications have been undertaken to ensure IT equipment is available and meets needs of users.

ASSESSMENT OF RISK:

Medium: Any delay in agreeing the virement impacts in meeting timescales to place an order and securing delivery of the IT equipment in time for the return of SCL staff

SOURCE OF FUNDING:

2020/21 Place capital programme with repayment from SCL over the remaining period of the management agreement

LEGAL IMPLICATIONS: Submitted by: Tony Hatton, Principal Solicitor, tel. 219 6323

Virement

As set out in the Council's Constitution, each directorate is allocated a budget amount as their share of the annual revenue budget approved by Council, and capital virements (movement of budgets between approved capital schemes) are permitted

subject to the approvals being made by authorised persons as set out in section 7.4 of the Budget and Policy Framework Procedure Rules.

For a virement of the amount requested, it would appear that section 7.4 (b) applies and the approval of lead member for financial and support services in consultation with the Chief Finance Officer is required. Section 7.4 reads as follows:

The person set out below shall be entitled to vire across budget heads or budget amounts as follows:

- a) a Chief Officer may vire between budget heads under their control and within their directorates £150,000 in any financial year.
- b) the Member(s) of the Cabinet for a relevant service area(s) may, with the approval of the relevant Lead Member, vire between budget heads within their control sums of £150,000 and over, up to £350,000 in any financial year
- c) the City Mayor may vire sums up to £1,000,000 between the budget amounts of different directorates in any financial year.
- d) the Chief Finance officer shall be responsible for authorising all virements from the central inflation and contingency provision to other service budgets.
- e) any virement must be notified to the Chief Finance Officer and virements of above £150,000 must be reported for information to the next meeting of the Overview and Scrutiny Board.
- f) any revenue virement above £ 1,000,000 will require the approval of full Council.
- g) Virements within the capital programme of above £350,000 up to £2,000,000 are subject to the approval of the lead member for financial and support services in consultation with the Chief Financial Officer

SCL service level agreement

The agreement between the Council and SCL does not include provision for the Council being responsible for the replacement/upgrade/purchase etc of ICT equipment, and is limited to providing ICT services only to SCL. Accordingly there is no contractual requirement for the Council to undertake the purchases to provide equipment on behalf of SCL, but to enable as seamless as possible a return to work following SCL employees returning from being furloughed, the Council will purchase the equipment, on the understanding that there is an agreement for SCL to reimburse the purchase monies over the course of the management agreement they have with the Council for the management of its facilities.

The Council may wish for this repayment arrangement to be formally documented, and if so, Legal Services will be happy to advise and provide an appropriate document for each party to sign.

FINANCIAL IMPLICATIONS: Alison Woods - Corporate Finance 925 1135

Unsupported borrowing of £0.168m was identified as part of the 2020/21 capital programme for the two schemes outlined in this report. As the funding would not be

spent before March 2021, alternative uses were considered. The proposed virement within Place directorate allows the replacement of IT equipment and software for SCL employees returning to work from furlough.

Whilst the Council will finance the cost in the first instance, it has been agreed that SCL will reimburse the Council over the remaining period of the management agreement.

PROCUREMENT IMPLICATIONS: Submitted by: Emma Heyes Category Manager
686 6243

Any procurement requirements should comply with contractual standing orders. The Council has existing contracts for the provision of Windows 10 software and IT hardware, so these contracts should be used as a route to purchase the required licences and laptops.

CLIMATE CHANGE IMPLICATIONS Supplied by: Mike Hemingway
The purchase of new IT equipment will facilitate home working which for many staff offers a lower carbon alternative to commuting. The new IT equipment will be more energy efficient than the legacy equipment previously used.

OTHER DIRECTORATES CONSULTED:

N/A.

CONTACT OFFICER: Ian Thompson, Principal Programme Manager, 793 2415.

WARD(S) TO WHICH REPORT RELATE(S): ALL
