

Title of Report	RENEWAL OF DATA CENTRE , WIDE AREA NETWORK, AND CLOUD INFRASTRUCTURE	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder	
Background Papers	N/A	Public Report: Yes
		Key Decision: Yes
Financial Implications	<p>The current cost of the contract is £385,521 per annum (split £323,121 General Fund and £62,400 Housing Revenue Account). The new cost of the contract is £297,396 per annum (split £234,996 General Fund and £62,400 Housing Revenue Account). This is a saving of £88,125 per annum to General Fund. However, the current General Fund budget is only £290,000, therefore, the budgeted saving is £55,000 per annum.</p> <p>In addition to the revenue costs, identified above, capital spend of £50,000 is required to replace the existing hardware and this has been included in the 2025/26 capital programme.</p>	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	<p>There are no direct legal implications. The procurement process complies with the public contract regulations 2015 and the framework procedure for direct awards, so there should be no / a low risk of a challenge.</p>	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing or corporate implications.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	The report requests that Cabinet authorises the award of the data centre, wide area network and cloud infrastructure services contract to Six Degrees Technology Group Ltd, (6DG).	
Reason for Decision	<p>The current contract for data centre, wide area network and cloud infrastructure services, comes to an end on the 31 August 2025.</p> <p>The award of a new contract is necessary to maintain the Council's IT infrastructure, network, backup, systems and applications.</p> <p>The level of expenditure on this contract exceeds the authority threshold in the scheme of delegation and hence requires Cabinet approval.</p>	
Recommendations	<p>THAT CABINET</p> <p>1. APPROVES THE DIRECT AWARD OF A CONTRACT FOR DATA CENTRE, WIDE AREAS NETWORK AND</p>	

	<p>CLOUD SERVICES TO 6DG FOR THE TOTAL CONTRACT VALUE OF £2,081,772 FOR A TERM OF SEVEN YEARS</p> <p>2. DELEGATES AUTHORITY TO THE STRATEGIC DIRECTOR OF RESOURCES WITH RESPONSIBILITY FOR ICT IN CONSULTATION WITH THE CORPORATE PORTFOLIO HOLDER TO FINALISE AND AGREE THE FINAL DRAFT OF THE CONTRACT</p>
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1.0. BACKGROUND

- 1.1 This contract for the data centre, wide areas network and cloud services comes to an end on the 31 August 2025. The award of a new contract is necessary to continue and maintain our core IT infrastructure, including disaster recovery.

2.0. PROCUREMENT

- 2.1 A procurement process, compliant with the Public Contracts Regulations 2015, for the new contract has been conducted by the Council's IT Manager in conjunction with the Procurement Officer. The direct award to Six Degrees Group (6DG) via the CCS framework RM6116 LOT1a is the outcome of the procurement process.
- 2.2 The Council has worked with 6DG for the past eight years. 6DG's successful inclusion on the CCS Framework means that the Council can directly award the contract to them.
- 2.3 A direct award to 6DG has been chosen for technical continuity as there is no technical, monetary, or financial reason to move the Council's infrastructure to a different supplier. Moving to a different supplier would incur high capital costs, as well as time and resource to rebuild a new infrastructure. The service the Council receives from 6DG is excellent and the data centre is in Birmingham, which is within a reasonable travelling distance for the Council's IT team if required.
- 2.4 As technology rapidly advances, the Council will explore various hosting options in the future.. A five-year contract with the option to extend for a further two-years is considered to be the most appropriate length for the contract.
- 2.5 The existing contract, which ends on the 31 August 2025, will be cancelled early, allowing the Council to make savings from 28 February 2025. This cancellation is via mutual consent and is permitted via the contract, provided both parties are in agreement.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The cost of the current contract is £385,521 per annum, £1,927,605 over five years. This includes the hosting costs of the Housing ICT system and additional capacity costs.
- 3.2 The cost of the new contract is £297,396 per annum, £2,081,772, over seven years. These costs can be met from the existing IT budget and include the cost of hosting the housing Aareon ICT systems. This provides a saving of £88,125 per annum, a total of £616,875 over seven years.
- 3.3 There is no financial penalty for cancelling the existing contract before the 31 August 2025 and signing up to this new contract. This has been confirmed by legal services and the Council's supplier 6DG.

- 3.4 If the contract is signed before 28 February 2025, then the Council will be given a further £24,000 credit to cover the savings from December 2024 to February 2025.

4.0 TIMELINE

- 4.1 The table below outlines the timetable for contract completion and implementation.

Number	Step	Date(s) and time (if applicable)
1	Governance approvals completed	28 January 2025
2	Contract finalisation completed	8 February 2025
3	Contract start date	28 February 2025

Policies and other considerations, as appropriate	
Council Priorities:	A well run Council
Policy Considerations:	N/A
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community Engagement:	N/A
Risks:	The procurement process complies with the public contract's regulations 2015 and the framework procedure for direct awards, there should be no / low risk of a challenge
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