

Subject:	PROVAL MIGRATION TO AZURE
Date:	11 September 2023
Decision to be taken by:	Mike Davis, Strategic Director (Finance and Housing)
Report of:	Abi Robinson, Digital and Technology Manager
Portfolio Holder:	Councillor Jamie Pout, Portfolio Holder for Transport, Licensing and Environmental Services
Decision Type:	Executive Non-Key Decision
Call-in to apply:	No (<i>Call-in does not apply to non-Key Officer Decisions</i>)
Classification:	Unrestricted
Delegated Authority:	Delegation C64 to the Section 151 Officer ('To authorise new projects up to £50,000 that can be funded within the overall resources of the approved Medium-Term Financial Plan') of Section 6 (Scheme of Officer Delegations) of Part 3 (Responsibility for Functions) of the Constitution
Purpose of the report:	To migrate Proval servers (used by Strategic Housing and Finance) to Azure.
Recommendation:	To approve a new project to migrate Proval servers to Azure.

1. Summary

- 1.1 To migrate the Proval system to the Microsoft Azure cloud environment. The project is a continuation of the Council's cloud programme to move to one of three options: -
- Software as a Service (SaaS) – where the supplier provides cloud-based applications over the internet and this can be accessed from anywhere, provided the user has the correct security.
 - Suppliers hosted environment – where the supplier hosts the applications in their cloud environment and the user accesses the system from within the DDC network.
 - Dover District Council's Azure environment – where DDC hosts the applications in our own cloud environment (Azure).
- 1.2 The nature of the ICT environment is requiring councils to move to the cloud as an alternative to holding servers. DDC is following this route for the following the reasons:
- Loss of on-going use of the data centre hosted by Thanet District Council (TDC)
 - Improved Business Continuity and Security
 - Enabling digital transformation
 - Leveraging new technologies
 - Flexibility of infrastructure (coping with high demand periods)
 - Readiness for modernisation of systems (SaaS)
 - Eventual reduction in capital ICT costs
- 1.3 This involves moving ICT systems and data from servers managed at Thanet District Council (TDC) by the (soon to be closed) joint ICT service to "the cloud". The preferred cloud solution is Software as a Service (SaaS) which is where the company providing

the system would host and manage the solution on their infrastructure. If this is not viable, the next preferred option is for the provider to host them or to move to DDC's Microsoft Azure cloud. In this case it is to move to DDC's Microsoft Azure cloud platform.

- 1.4 Proval software is used by Strategic Housing and Finance to provide detailed appraisal and viability data for social housing.

2. Introduction and Background

- 2.1 In July 2019 DDC approved a report to enable the Council to move to MS365, divided into phases. Phase 1 was the move to MS365 which was completed just before the Covid19 pandemic. Phase 2 was the appointment of a consultant to carry out an assessment of our infrastructure (completed), and the move to Azure cloud by December 2020. This was delayed due to the pandemic but during the following period we have moved systems to SaaS solutions where viable. The next phase is to start migrating systems with no SaaS option to either the providers hosted solution or Microsoft Azure.

- 2.2 There are still over 20 servers based in the Thanet datacentre. The project to move the systems on these servers to Cloud has been accelerated due to the disaggregation of the ICT service previously shared by DDC, CCC and TDC under EK Services. This report is to approve a project to move the Council's Proval solution to Microsoft Azure.

- 2.3 The Proval system has been used in the Council for approximately 2 years.

3. The Proval System

- 3.1 Dover District Council has great ambitions for the future in terms of delivering improved outcomes for residents and businesses investing in our places. The Strategic Housing team plays a key role in delivering on these ambitions.

- 3.2 A large part of securing these ambitions is ensuring the deliverability of opportunities through site feasibility and viability appraisals. Together with community and stakeholder engagement, these assessments enable the Council to make informed decisions as to whether schemes should go ahead and the parameters as to how it could go ahead.

- 3.3 Proval is a financial viability tool that measures capital costs of delivering a scheme. The tool allows the Council to make the best use of its developable land and land assembly opportunities.

- 3.4 The Strategic Housing team implemented Proval 2 years ago with 3 licences and an on-premise solution. Within this time we have added 2 more licences and this is expected to grow within the next year, due to the growth of social housing schemes.

- 3.5 The current Proval server is based in the Thanet datacentre. This report is to approve a project to relocate the Proval infrastructure to the Microsoft Azure cloud environment.

- 3.6 The Proval solution does have a supplier hosted offering, but the costings for this does not provide value for money currently.

4. Microsoft Azure Delivery

- 4.1 Moving to Azure will bring the Council benefits such as improved security and Business Continuity due to resilience between datacentres across the UK holding DDC data, the ability to scale up/scale down virtual environments on demand to cope with high demand periods and save money during low demand periods. It also helps mitigate issues with legacy operating systems having to be updated and removes utility costs (power, air conditioning) and unexpected large costs if hardware, such as servers fail out of warranty and need replacing. It also means that the Council does not have to face significant costs if, at a later date, it wishes to re-configure the Whitfield offices

and re-locate the data centre. Nor does it face these constraints if it ever wishes to re-locate to other premises.

4.2 The Proval system can use the Azure subscription created as part of the Idox migration process (See Decision DD06 23).

5. **On Premise Delivery**

5.1 The option of moving the Proval solution to servers on-premise at the DDC offices has also been considered. For systems providing statutory services, the offices do not currently have a well enough equipped data centre. Costs to renovate the room used as a data centre and the equipment needed, such as Storage Area Network (SAN) system with built in redundancy to mitigate risk of outages due to hardware failures and similar specification servers would surpass the costs listed above. Keeping on-premise systems is also not aligned to the DDC cloud approach.

5.2 The estimated costs for implementing servers, storage and infrastructure into a datacentre are shown below. These are not annual costs but would on average be required every 5 years. The costs would setup the datacentre for hosting all on-premise servers rather than just Proval solution servers.

Description	Proposed £000
One-off Preparing Datacentre	10
VM Host Server Cluster (1 x servers and support)	25
SAN, FC Switches and Support	60
Server Licences	7
	£102,000

5.3 Another consideration is during the next 2-3 years more systems will either move to SaaS or may be replaced with in house built applications as part of a cloud based CRM solution. As this happens the large investment for an on-premise datacentre would quickly become underutilised, giving a poor return on investment. The cloud approach allows us to utilise the cloud infrastructure while we need it and scale down easily as modern solutions are developed.

6. **Identification of Options**

6.1 Option1 – Do nothing.

6.2 Option 2 – Provide on-premise servers within the data centre.

6.3 Option 3 – Move Proval to Azure.

7. **Evaluation of Options**

7.1 Option 1 - The option to not go ahead with the migration has been considered but is needed to begin the next phase of the DDC cloud agenda. There is added urgency for this project to proceed for moving DDC servers out of the Thanet datacentre due to the ICT disaggregation. This option is not recommended.

7.2 Option 2 – This option is not aligned to the DDC cloud approach and would likely result in an underused data centre. This option is not recommended.

7.3 Option 3 - This option supports the move to a preferred cloud first route and resolves the challenges with the unsupported servers and disaggregation plans at TDC. This is the recommended option.

8. Resource Implications

8.1 As detailed in the 2023/24 budget and Medium-Term Financial Plan the Digital & ICT Equipment & Servers reserve is held in order to support the requirements of the current and future digital strategies. This project falls within those requirements and the implementation and year one costs will be funded from the reserve.

8.2 Current costs for the existing service include:

- Staff time – previously paid to East Kent Services as part of the ICT service costs;
- £2.5k pa Proval support costs;
- £25k three yearly server replacement cost;
- £7k three yearly Storage Area Network (SAN) costs.

8.3 There is an initial one-off cost for ROCK to complete the Proval migration to Azure of £3,500 and DDC would complete the installation from our own resources. It is proposed that this will be funded from the ICT reserve.

8.4 The initial monthly cost for running Proval server in Azure is £115, which would be an annual cost of £1380. However, this cost will reduce over the first 3 months as the team will work with ROCK to optimise the running of the server in Azure. At present the exact reduction cannot be calculated, and this will not be known until the server is relocated to Azure.

8.5 The on-going costs of running the Azure servers will be dependent on the level of optimisation achieved post-implementation. It is anticipated that these will be in the region of £1100, based on optimisation estimations from ROCK.

8.6 In summary the 3-year forecast for the service is:

	Current £000	Proposed £000
Solution Running Cost	7.5	7.5
Server Replacement	25	0
Storage Area Network (SAN)	7	0
Azure cost	0	4
Migration to Azure	0	3.5
Total	39.5	15

8.7 The new proposal creates an ongoing revenue budget pressure of c£1.5k per annum but will reduce the need for future server and SAN charges. However, it is considered that this is the most efficient route to meet the timescales to vacate TDC's datacentre.

8.8 It is anticipated that in the longer term this budget pressure will be offset by a reduction in the annual contributions to the Digital & ICT Equipment & Server due to capital costs reducing for on premise hardware and licenses.

8.9 Installation of the software and configuration of the firewalls would need involvement of the ICT department.

9. Climate Change and Environmental Implications

9.1 No comments received.

10. **Corporate Implications**

10.1 Comment from the Director of Finance (linked to the MTFP): Accountancy have been consulted on the report and have no further comments to add. (AG)

10.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

10.3 Comment from the Equalities Officer: This report recommending the approval of a project to migrate Proval to Azure, does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>.

10.4 Other Officers (as appropriate):

11. **Appendices**

None.

12. **Background Papers**

Relevant papers on Digital Services files.

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