

Runnymede Borough Council  
CORPORATE MANAGEMENT COMMITTEE

Thursday, 30 May 2002, at 7.30 p.m.

in the Council Chamber

at the Civic Offices, Addlestone



Members of the Committee

Councillors G.B. Woodger (Chairman), J.M. Edwards (Vice-Chairman), D.P. Easton, R.K. Habgood, J.E. Haas, H.W.V. Meares, C.J. Norman, R. Pate, Mrs. E.E. Price and P.B. Tuley.

and all other Members for information

## **A G E N D A**

Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr. G. Marson, Committee Section, Borough Secretary's and Leisure Services Department, Civic Offices, Station Road, Addlestone (Tel. Direct Line: 01932 425625).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr. B.A. Fleckney on 01932 425620.
- iv) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

COMMITTEE SECTION



## **LIST OF MATTERS FOR CONSIDERATION**

### **PART I**

#### **Matters in respect of which reports have been made available for public inspection**

	<b><u>Page</u></b>
1. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP	3
2. MINUTES	3
3. APOLOGIES FOR ABSENCE	3
4. DECLARATIONS OF INTEREST	3
5. BEST VALUE PERFORMANCE PLAN 2002/03	3
6. BEST VALUE PERFORMANCE INDICATORS OUTTURN 2001/02	4
7. COMMUNITY STRATEGY - PROGRESS REPORT	4
8. EQUALITY STANDARD AND RACE EQUALITY SCHEME	8
9. AIMS AND TARGETS 2001/02 - OUTTURN	11
10. TREASURY MANAGEMENT AND INVESTMENT STRATEGY ANNUAL REPORT 2001/02	12
11. IMPACT OF THE CHANCELLOR'S BUDGET	17
12. CASH RECEIPTING SYSTEM	17
13. COOPERS HILL RECREATIONAL TRUST LTD - DISCRETIONARY RATE RELIEF	19
14. BEST VALUE SERVICE REVIEW AND CONTINUOUS IMPROVEMENT PLAN - INFORMATION SYSTEMS	20
15. REPLACEMENT OF IT HARDWARE	22
16. REVENUES AND BENEFITS SYSTEM UPGRADE	25
17. GIS AND LAND CHARGES SYSTEM UPGRADE	28
18. SYSTEMS RESILIENCE AND SECURITY	31
19. TELEPHONE SWITCHBOARD MAINTENANCE	33
20. REVIEW OF SALARIES 2002	35
21. WILLS AND LEGACIES	36
22. GIS BEST VALUE CONTINUOUS IMPROVEMENT PLAN - PROGRESS REPORT	37
23. APPOINTMENTS SUB-COMMITTEE MINUTES	39
24. EXCLUSION OF PRESS AND PUBLIC	40

### **PART II**

#### **Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

##### a) Exempt Information

25. LIFE ASSURANCE SCHEME	41
26. INSURANCE RENEWALS	43
27. NON DOMESTIC RATES - HARDSHIP RELIEF	46

##### b) Confidential Information

(No reports to be considered under this heading)

1. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

2. MINUTES

To confirm and sign as a correct record the Minutes of the meetings of the Committee held on 4 April and 16 May 2002 (the latter being attached at Appendix 'A').

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Committee Administrator at the start of the meeting. A supply of the form will also be available from the Committee Administrator at meetings.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room, or refrain from voting, as may be appropriate according to the nature of the interest.

5. BEST VALUE PERFORMANCE PLAN 2002/03 (CEO)

(Ref: Minutes of Policy and Resources Committee 13 January 2000, page 885, para. 561)

1. **Purpose of Report**

1.1 **The purpose of this report is to seek approval for the Council's Best Value Performance Plan (BVPP) for 2002/03.**

2. Background Information

2.1 The Plan, which is attached at Appendix 'B' and is subject to some final formatting amendments, has been produced in accordance with the requirements of the Local Government Act 1999 and the Council's Corporate Best Value Strategy, approved by the Policy and Resources Committee at its meeting on 13 January 2000.

2.2 The latest publication date for Best Value Performance Plans was previously 31 March each year. However, the publication date has now been put back, by statutory instrument, to 30 June. This will allow for actual outturn figures to be reported instead of estimates.

3. Plan Content

3.1 This third Plan has again been compiled with the emphasis on Runnymede's own set of corporate and service based targets for the coming year. These are based on current policies, the Leader's Position Statement and the Aims and Targets derived from it, which were approved at this Committee's meeting in February 2002. They form a clear set of targets against which residents can measure the Council's performance. A financial statement as to how the services and initiatives to be delivered will be paid for and Runnymede's approach to making efficiency improvements are also included.

3.2 Full year outturn figures for 2001/02 against the national Best Value Performance Indicators have to be set alongside the local targets. Targets for the coming year are outlined and comparative data has also been included.

3.3 The performance against the Indicators will continue to be monitored quarterly, as agreed in the Council's response to the District Auditor's Action Plan following the audit of the 2000/01 BVPP. This process was carried out throughout 2001/02 and it will continue to ensure that good practice is maintained.

3.4 The 'five year rule' where authorities were required to review all functions within a 5-year cycle has been revoked by statutory instrument. The timetable for the review process is still included in the plan and now includes joint reviews where appropriate.

- 3.5 The design of the document will be discussed with the printers but will not be too dissimilar from the current style and format.
- 3.6 Members particular attention is drawn to the proposed targets for the current financial year (2002/03) detailed on pages 30, 35, 39, 42, 44 and 47 of Appendix 'B'. (to follow)
4. Resource Implications
- 4.1 The printing and distribution costs of the full plan document and the summary pamphlet element of the Annual Report are likely to be in the order of £10,000. Approved estimate provision exists for this expenditure.

**OFFICERS' RECOMMENDATION that -**

- i) the Best Value Performance Plan 2002/03, attached at Appendix 'B', be approved; and**
- ii) the Chief Executive Officer be authorised to make any necessary editorial drafting changes before final publication.**

**(TO RECOMMEND)**

Background Papers

None stated.

6. BEST VALUE PERFORMANCE INDICATORS OUTTURN 2001/02 (CEO)

1. Purpose of Report

1.1 **The purpose of this report is to inform Members of the outturn against the Best Value Performance Indicators for 2001/02.**

2. Report

2.1 A set of working tables showing the outturn against the Best Value Performance Indicators for the period 1 April 2001 – 31 March 2002, is attached at Appendix 'C'. The figures may be subject to some minor alteration following verification by both Internal and District Audit.

2.2 Notable performances have been achieved in the following areas:

- The authority has an established timetable for the Community Strategy (BV1).
- The number of complaints referred to the Local Government Ombudsman classified as maladministration continues to be recorded as 0 (BV5)
- Average dwelling relet time has remained at approximately 3.3 weeks (24.3 days) (BV 68)
- 100% of Local Land Charges Standard Searches have been carried out in 10 working days (BV 179)

2.3 As is usual, a number of the Indicators have been changed by the Audit Commission this year, meaning that historical comparison is not always possible.

**(FOR INFORMATION)**

Background Papers

Performance Indicators 1999/2000 file 61.15.12 Volume 11  
Performance Indicators 1999/2000 Working Papers file

7. COMMUNITY STRATEGY - PROGRESS REPORT (CEO)  
(Ref. Minutes of Corporate Management Committee, November 2001, page 521, para. 352)

**1. Purpose of Report**

**1.1 The purpose of this report is to update Members on the progress in developing the Council's Community Strategy and identify in more depth the next steps in the process.**

**2. Background Information**

2.1 The Local Government Act 2000 includes a statutory obligation for all Local Authorities to prepare a Community Strategy for their area.

2.2 Members were informed of this statutory duty and the implications at the October 2001 meeting of the Committee.

2.3 The Local Government Act Member Working Group subsequently recommended an amended timetable for implementation and the use of consultants for the main consultation event. The Corporate Management Committee agreed these recommendations at its November meeting.

2.4 All Members were invited to a briefing session, at the request of the Member Working Group, where Officers outlined the process of implementing the Community Strategy and gave Members the opportunity to engage in the process that the Council was embarking on.

2.5 The previous Best Value Performance Indicator (BVPI) referring to the development of the Community Strategy for 2001/02 has now been changed for the year 2002/03 to limit ambiguity and allow Local Authorities to demonstrate progress in developing the Community Strategy. The Committee was informed of these proposed changes at its meeting in December 2001. For reference, the fully revised Performance Indicator is attached in Appendix 'D'.

**3. The Visioning Event**

3.1 The Office for Public Management (OPM), the Improvement and Development Agency (IDeA) and CAG Consultants were invited to outline costed proposals to facilitate the 'Visioning Event' that was to be held at Thorpe Park on 26 February 2002. CAG were chosen on the basis of cost and the quality of their bid.

3.2 Nearly 90 community and public agency representatives were invited to participate in the event and Officers attempted to draw together a comprehensive cross-section of the local community. A total of nine Members, drawn from each of the parties, were invited to participate in the event. All other Councillors were invited in an observing capacity. A full report of the event, including a list of invitees, is attached at Appendix 'E'.

**4. Other Consultations**

4.1 To gain a wider perspective from the community, the Council consulted on a number of other fronts.

4.2 Officers visited three of the Borough's schools and colleges, two Day Centres, contacted nearly 200 residents via the Residents' Panel and had an interactive questionnaire on the Council website for the general public to respond to. In addition to this, comments were welcomed through the newsletter 'Runnymede 2015' which was available in the Civic Offices' main reception. To increase the awareness of the pending community strategy and to welcome other views, a number of articles were placed in the local newspaper.

4.3 The results of these consultations are summarised in Appendix 'F' and, together with the Visioning Event consultation, form the basis on which to inform the Council's Community Strategy.

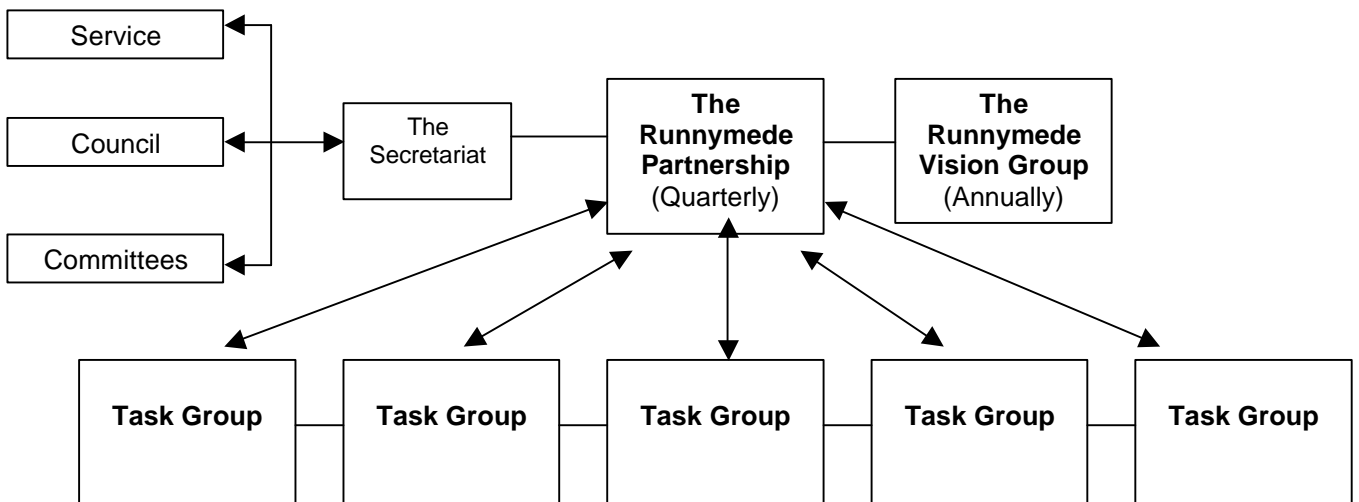
5. Next Steps – Short Term

5.1 The fundamental tool for developing and implementing the Strategy is the Local Strategic Partnership (LSP). Forming this partnership will be the next step in the process of creating the Community Strategy. The Local Government White Paper, '*Strong Local Leadership - Quality Public Services*' has indicated an increasing importance in the role of the Local Strategic Partnership over the next few years. For this reason, it is important that an effective partnership is established.

5.2 An accreditation scheme has existed for those Local Strategic Partnerships seeking Neighbourhood Renewal Fund monies. Runnymede does not qualify for this scheme but the Government is planning to extend the accreditation process in non-prescriptive guidance during the summer. For this reason, in the early stages of developing the Community Strategy and Local Strategic Partnership, Officers will follow some key principles set out in the current accreditation scheme. Although this is not compulsory, Officers believe that it will set a sound basis on which to develop the Partnership and assist in the Partnership structure being looked upon favourably in future assessments. The guiding principles for LSP's are that:

- They should be effective, representative, and capable of playing a key strategic role.
- They should actively involve all the key players, including the public, private, community and voluntary sectors.
- They should establish genuine common priorities and targets, and agreed actions and milestones leading to demonstrable improvements against measurable baselines.
- Members (organisations) must have aligned their performance management systems, aims and objectives, criteria and process to the aims and objectives of the LSP.
- They should reduce, not add to, the bureaucratic burden.
- They should build on best practice from successful partnerships by drawing on experiences of local and regional structures and national agencies.

5.3 Members will recall that the provisional structure of the Local Strategic Partnership, as agreed at this Committee in October 2001, is as follows:



- The Runnymede Partnership (consisting of 12-20 people) is the core partnership group which will consist of representatives of the main organisations that can shape and help deliver the Community Strategy.
- The Runnymede Vision Group will be an annual meeting of community representatives which will give the Council the opportunity to present the Strategy's progress and assist in developing its long-term direction.
- The Task Groups are the essential tools in developing targets for, and implementing, the Community Strategy.

- 5.4 Experience from other Local Authorities has indicated that without Member involvement and commitment to the process, the success of the LSP and the Community Strategy is hindered. Given it is likely that there will be between 12-20 people sitting on the central Runnymede Partnership, it is suggested that three Members are nominated to take part in the Partnership. This number will allow for a significant contribution to be made by Members in the formation of the LSP and the development of the Community Strategy. Additionally, it will permit a range of community representatives to be involved, without stifling the process with large numbers.
- 5.5 As stated in previous reports, Members retain control and approval of policy and resource matters within the existing purview of the Council through the traditional Committee process. In addition, Councillors can be invited to contribute to Task Groups if relevant issues arise.
- 5.6 Officers will contact community representatives to meet together and look in more detail at the two consultation reports (appended) and to develop a working partnership. From the community representatives who attended the Visioning Event at Thorpe Park in February, nearly 30 have volunteered or demonstrated considerable interest in being part of the Local Strategic Partnership. It is the issues from the consultations which will inform the nature of the partnership.
- 5.7 Government guidance suggests that the Chair of the Partnership does not necessarily have to be a Council Member or Officer but could be another community representative. There are many examples from existing partnerships where both work efficiently. However, Officers believe that it would be good practice for a nominated Member to initially take on the Chairmanship of the Partnership for the early period and continue with the work at least until it is well established. This practice has worked well for the Business Partnership.
- 5.8 The Partnership will subsequently develop Task Groups which will in turn form action plans, produce targets and carry out the work to fulfil their aims. The members of the Runnymede Partnership will head these groups and report progress from the Task Groups quarterly. It is anticipated that the Task Groups will be subject specific. For example, one group may deal with issues surrounding affordable housing, and another community safety. Again, it should be emphasised that where there are existing partnerships, they should form the basis of the task groups.
- 5.9 It will be at the task groups' discretion as to how often they meet but their work should be needs driven and the meetings should reflect that. The Runnymede Partnership will meet quarterly and administration of the partnership's work will be undertaken by the Council's Policy Officer.
- 5.10 The Vision Group will meet annually to publish progress reports and allow consultation and feedback from the community.
- 5.11 Every five years, the Strategy will be reviewed, using a similar consultation process which has been described earlier in this report. The strategy should reflect as far as possible, the changes in the public's aspirations.

**OFFICERS' RECOMMENDATION that -**

**three Member representatives be nominated to the Local Strategic Partnership.**

**(TO RESOLVE)**

Background Papers

Runnymede Community Strategy file 69.23.17  
Local Strategic Partnerships file 69.24

8. EQUALITY STANDARD AND RACE EQUALITY SCHEME (CEO)  
(Ref. Minutes of Corporate Management Committee December 2001, page 667, para. 425)

1. Purpose of Report

1.1 **This report updates Members on new equality requirements outlined in the Best Value Performance Indicators (BVPI's) for 2002/2003. It also proposes a Race Equality Scheme to fulfil the general duty placed on local authorities by the Race Relations (Amendment) Act 2000.**

2. Background Information

- 2.1 The Race Relations (Amendment) Act 2000 strengthened the original Race Relations Act 1976 to create a general duty to promote racial equality in public authorities. From 31 May 2002 the Commission for Racial Equality (CRE) will be able to bring action against any authority failing to have plans to fulfil the obligations outlined in the general duty.
- 2.2 In October 2001 this Committee received a report outlining the Council's obligations under the Race Relations (Amendment) Act 2000 and approved a corporate target to pursue level 1 compliance with the CRE's Codes of Practice. This was to fulfil the BVPI requirement at that time. However, the review of the BVPI's for 2002/2003 has recommended a change to the indicators and the Audit Commission has published plans to change BVPI 2 to encompass the new generic Equality Standard for Local Government.
- 2.3 At its meeting in December the Committee therefore authorised Officers to pursue the fulfilment of Level 1 of the Equality Standard in 2002/03. It was felt at the time that pursuing a broader equality policy would be more relevant to the Council, its service provision and practices.

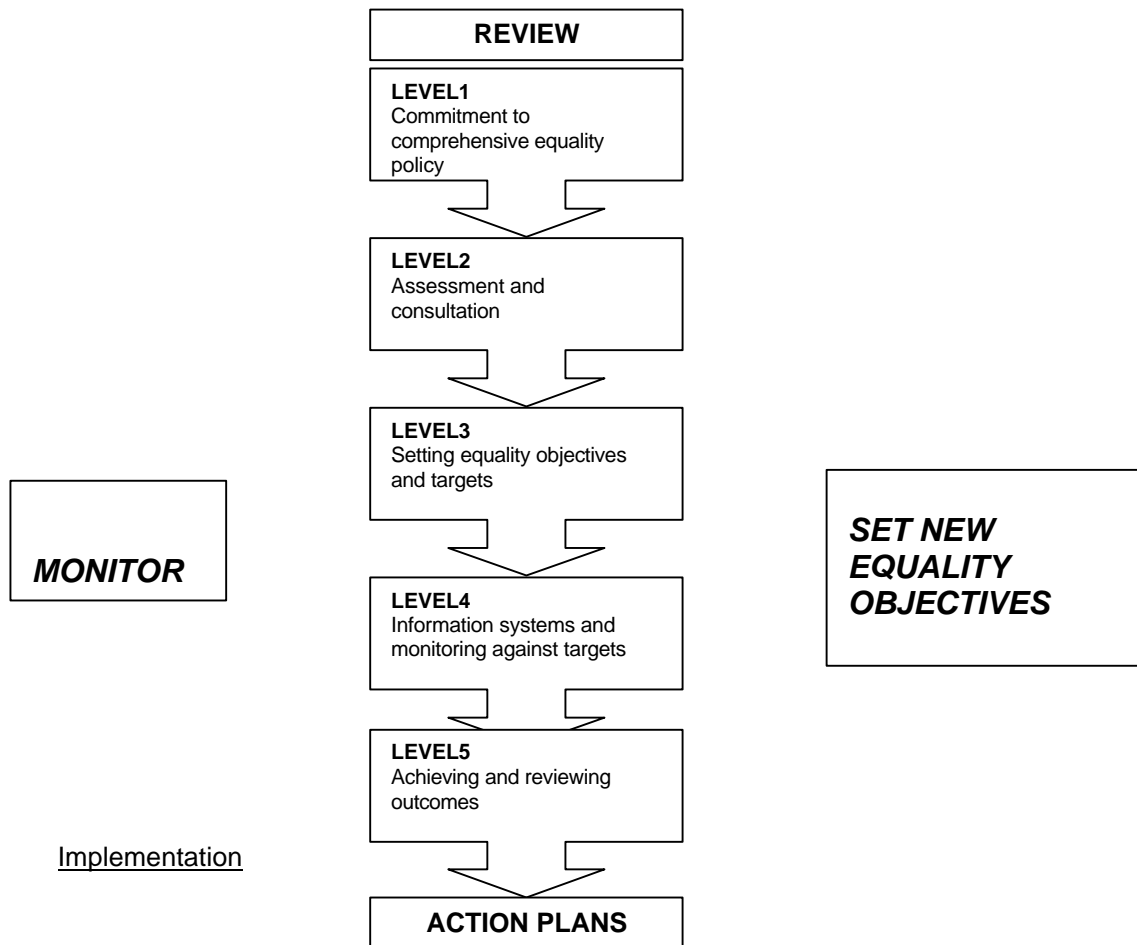
3. Race Equality Scheme

- 3.1 CRE guidance states that "a Race Equality Scheme is a statement of how a listed public authority plans to meet both its general and specific duties to promote equality under the amended Race Relations Act. It is meant to help public authorities make sure that they address their general duty at a corporate level. The scheme can be part of an authority's general equality strategy, but the equality sections must be clear and specific".
- 3.2 As suggested in the guidance literature above, it is planned to incorporate the Race Equality Scheme within the wider Equality Standard. This will make implementation smoother by preventing duplication and will make the policy more relevant to Runnymede. The plans for implementation of a Race Equality Scheme have to be in place by 31 May 2002. From this date the CRE will be given powers to bring action against any authority it believes is not taking steps to comply with the general duty. The Council is producing this scheme in light of draft guidance from the CRE. The final guidance literature is not expected until 27 May 2002.
- 3.3 A Race Equality Scheme must make it clear how a public authority plans to meet both its general and specific duties. Overall the process should be able to answer the following questions:
- How will the authority decide which of its services and policies are relevant to the general duty?
  - How will the authority assess and monitor its services and policies, including services and policies it is proposing to introduce, to make sure that they are not affecting some groups negatively, and that all communities are satisfied with them?
  - How will the authority deal with evidence that its services and policies are not in line with the general duty?
  - How will the authority consult the general public and, particularly, involve ethnic minorities at all stages?
  - How will the authority deal with complaints about the way it is meeting the duties, or other complaints about racial equality?

- How will the authority publish the results of its assessments, consultations and monitoring?
  - How will the authority make sure that everyone, whatever their ethnic background, has access to information about the authority and its services?
  - How will the authority make sure that all its staff understand their responsibilities under the duty?
  - How often will the authority review the scheme?
- 3.4 At this stage, only a plan for the above needs to be finalised. As outlined earlier, this is subsumed within a wider equality policy. The main requirements are to assess the authority's functions within 3 years to fully understand the manner in which the Council deals with equality issues, including race. Steps will then be taken to consult on and monitor the functions to ensure equality is achieved.
- 3.5 The scheme should include:
- The Council's vision or commitment
  - The Council's structure
  - The Council's Equality strategy
  - Action plan and timetable for assessment of functions
4. The Equality Standard
- 4.1 The Equality Standard was published on 16 October 2001. It was developed by the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission. The framework under which it was produced was designed specifically to be congruent with existing levels of the CRE Codes of Practice and other equalities work.
- 4.2 It was designed to replace the CRE Codes of Practice which were established as a national performance indicator in 1997. The Standard will replace BVPI 2 for the 2002-2003 BVPP.
- 4.3 A full analysis of the levels of the Equality Standard are included in Appendix 'G'. Below is a general description of the necessary steps to achieve compliance with each level. They are taken directly from the Equality Standard literature.
- 4.4 Level 1 To achieve this level, an authority must have adopted a comprehensive equality policy that commits to achieving equality in race, gender and disability throughout.
- improving equality practice at both corporate and departmental level
  - earmarking specific resources for improving equality practice
  - equality action planning and equality targets setting within all departments and service areas
  - systematic consultation
  - a fair employment and equal pay policy
  - an impact and needs/requirement assessment
  - progress monitoring
  - audit and scrutiny
- 4.5 Level 2 To achieve this level, an authority will need to demonstrate:
- that it has engaged in an impact needs/requirements assessment
  - that it has engaged in consultation with the designated community, staff and stakeholder groups
  - that it has engaged in the development of information and monitoring systems
  - that it has engaged in an equality action planning process for employment, pay and service delivery
  - that it is developing a system of self-assessment, scrutiny and audit
- 4.6 Level 3 To achieve this level, an authority will have to demonstrate:
- that it has completed a full and systematic consultation process with designated community, staff and stakeholder groups.
  - that it has set equality objectives for employment, pay and service delivery based on impact and needs/requirements assessment and consultation
  - that equality objectives have been translated into action plans with specific targets

- that it is developing information and monitoring systems that allow it to assess progress in achieving targets
- that action on achieving targets has started

4.7 Below is a flow diagram of the process to implement all five levels of the Equality Standard.



5. Implementation

- 5.1 To achieve Level One compliance, the Council must have outlined a comprehensive equality policy. This will go beyond the normal commitment and must indicate how and when the Council will assess and monitor its functions with regard to equality. This is in line with the requirements of the Race Equality Scheme detailed in paragraph 4. A proposed policy is outlined in Appendix 'H'.
- 5.2 The Council's functions will be assessed over a period of three years. Although, it may be possible to complete this review within a year, the human resource implications are such that a three year review would be more appropriate. This would fulfil the obligations set by the Race Relations (Amendment) Act 2000, but progress on implementing the wider Equality Standard is more flexible.
- 5.3 Officers will work with relevant departmental staff over the next three years to assess the Council's functions and develop action plans to monitor where appropriate, consult and build in equality into its workings.
- 5.4 The Council has consulted with UNISON and their response is outlined in Appendix 'H1'.

6. Resource implications

- 6.1 In the medium term, it is anticipated that an additional burden may be placed on the training budget. One of the main concerns for equal opportunities and race relations is the lack of employee training. Although the Council does not formally have separate training plans for this at present, some aspects are already covered in induction training. This will, of course, come to light when the personnel function is assessed against the equality standard. Therefore initial resources will be utilised from existing budgetary provision.
- 6.2 Currently, there are no significant financial resource commitments designated for this work. When the Council's functions are assessed, some resource implications may arise. Reports

dealing with progress on implementation and any further resource implications arising from equalities work will be presented to Committee at the appropriate time.

7. Legal implications

7.1 From 31 May 2002, the CRE will be granted powers to bring action against any authority it believes to be failing to fulfil its requirements to implement the Race Equality Scheme. However, the CRE has acknowledged that it does not have the resources to monitor every public organisation's performance in this area. It will therefore work with the relevant audit and inspection agencies in order to ensure that monitoring compliance is built into their framework for inspection.

7.2 The Audit Commission will continue to monitor the BVPI's and will therefore inspect this Authority's progress on the Equality Standard. The District Auditor will check whether the Council has correctly followed the methodology for implementing the standard in the self-assessment auditing toolkit. This has yet to be published.

8. Other Issues

8.1 The Disability Discrimination Act and other Equality legislation refer specifically to Council services or functions. Following previous representations, the Equality Policy will take into account what would be regarded as subsidiary functions. Although not specifically obliged to do so, the Council will apply this to events organised as part of its voluntary activities. For example, the Mayor's Charity Ball should ensure equal access to the building in which it takes place.

**OFFICERS' RECOMMENDATION that -**

- i) the Equality Policy Statement and incorporated Race Equality Scheme set out in Appendix 'H' be adopted in order to move towards compliance with Level 1 of the Equality Standard, in line with the initial requirements for BVPI 2 for 2002/2003, and to fulfil the Council's obligations under the Race Relations (Amendment) Act 2000; and**
- ii) Officers pursue the achievement of further levels of the Equality Standard in line with BVPI 2.**

**(TO RECOMMEND)**

Background Papers

Equality Standard for Local Government.

9. AIMS AND TARGETS 2001/02 - OUTTURN (CEO)

1. Purpose of Report

1.1 **The purpose of this report is to present the outturn data of the Corporate Aims and Targets for 2001/02.**

2. Performance

2.1 Appendix 'I' outlines progress on the Aims and Targets in the period 1 April 2001 to 31 March 2002. Some of the more significant achievements during the year are indicated in the following paragraphs.

2.2 The Council has maintained its regular dialogue and co-operation with outside agencies. For example, there has been some considerable work completed in partnership with Surrey Police and Surrey County Council to secure funding for community safety initiatives.

2.3 In line with the Council's commitment to IT services, the Document Management System is now well in progress with phase two completed.

2.4 Target revenue reductions are being achieved.

- 2.5 Quality accreditation to ISO 9002 has been achieved in the further areas of Land Charges and Personnel.
- 2.6 There are also some ongoing achievements in the use of CCTV to detect and record crimes; maintaining efficient contact with the public to ensure that the Council is held in the highest regard with whoever it comes into contact with; retaining the character of established residential areas and monitoring by-law enforcement.

### 3. Conclusions

- 3.1 The Council has maintained a good record on delivering its priorities at a corporate level. There are many targets which are ongoing given the rolling nature of the work required, so good progress is still being made in other areas.

### **(FOR INFORMATION)**

#### Background Papers

Leader's Position Statement 2000/01

10. TREASURY MANAGEMENT AND INVESTMENT STRATEGY - ANNUAL REPORT 2001/02 (BT)  
(Ref: Minutes of Executive Committee 21 February 2001 page 1312, para. 659)

#### 1. Purpose of Report

- 1.1 **This is a report on treasury management activity and performance during the 2001/02 financial year.**

#### 2. Council Policy

- 2.1 Council policy is to remain free of long term external debt and to undertake treasury management in accordance with the approved Treasury Policy Statement.

#### 3. Background Information

- 3.1 The Council repaid all its long term external borrowings in 1992/93 and since then has remained free of long term debt. The conduct of treasury management has therefore revolved around the management of the Council's investments. The Council's investment portfolio comprises monies earmarked for longer term investment, and short term investments sufficient to meet day to day cash flow requirements without recourse to long term borrowing. Investment income forms a key part of the Council's medium term financial strategy and helps support spending on services whilst keeping local taxation at a low level.
- 3.2 The Executive Committee approved the Council's treasury management strategy for 2001/02 on 21 February 2001.
- 3.3 Sterling Consultancy Services were appointed as the Council's treasury management consultants for three years from October 2001.
- 3.4 In April 1999 the Council appointed Invesco Asset Management Ltd (Invesco) as an additional fund manager with an initial portfolio of £10m to manage. Investec Asset Management (Investec) were re-appointed and an additional £1.8m was transferred to bring this fund up to approximately £10m at 1 April 1999.
- 3.5 The external investment funds are managed under parameters approved by the Council. The Fund Managers provide quarterly statements that show investment activity and performance for the three months period and give a commentary on the reasons for their investment decisions and a forecast of future activity. The latest copies of the Managers' quarterly statements are placed in the Member's Room. Members may also request a copy direct from the Borough Treasurer if so required.
- 3.6 This Committee considered treasury policy for 2002/02 at its meeting on 7 March 2002. At that meeting the Committee were informed that investment income in 2001/02 was unlikely to meet the original expectations due to the lower interest rates experienced since Spring 2001 and the potential under-performance of fund managers.

3.7 The Council's long-term investment income forecasts have traditionally been based on an interest rate of 6%. The falls in interest rates in 2001 mean that a lower rate of interest has been assumed in the 2001/02 probable budget and the 2002/03 estimates.

4. Investment Activity and Commentary 2001/02 - General

4.1 The management of the Council's investments in 2001/02 has been conducted within the policy guidelines approved in the Treasury Policy Statement.

4.2 Treasury management activity in the year was carried out in accordance with statutory requirements and CIPFA's "Code for Treasury Management in Local Authorities."

4.3 Short term interest rates (as measured by the Bank of England minimum lending rate) were 5.75% at 1 April 2001. The rate steadily reduced to remain at 4.0% since 8 November 2001. The average base rate for 2001/02 of 4.66% was less than the Council's 6% benchmark interest rate used to compile the original estimate.

<b>Table 1 – Bank Base Rates in 2001</b>	
Date of change of base rate	%
Start of year	6.00
8 February 2001	5.75
5 April	5.50
10 May	5.25
2 August	5.00
18 September	4.75
4 October	4.50
8 November 2001	4.00

4.4 A summary of the Council's overall investment portfolio at the start and end of 2001/02 is set out in Table 2:

<b>Table 2 – Overall Investment Portfolio</b>		
	At 1 April 2001	At 31 March 2002
	£	£
Cash Funds:		
Investec	11,267,823	11,683,489
Invesco	11,190,556	11,730,894
In House Investments	6,500,000	7,000,000
<b>Total Investment Portfolio</b>	<b>28,958,379</b>	<b>30,414,383</b>

4.5 Interest earned on balances is derived partly from external investments and partly from internal investments. Table 3 shows the original, revised and actual calculations of General Fund investment income in 2001/02:

<b>Table 3 - General Fund Investment Income 2001/02</b>			
Source of Income	Original Estimate £000	Revised Estimate £000	Actual £000
Externally Managed Cash Funds	1,350	1,050	936
Short term in house investments	600	550	611
<b>Gross External Investment Income</b>	<b>1,950</b>	<b>1,550</b>	<b>1,547</b>
Interest on Housing Revenue Account balance	(29)	(32)	(29)
Interest paid on Deposits and Balances	(21)	(18)	(22)
<b>Total Net Investment Income</b>	<b>1,900</b>	<b>1,550</b>	<b>1,496</b>

4.6 The original estimate for investment income for 2001/02 assumed that the Council's Fund Managers would achieve an overall performance of 6.0%. This was expected to produce £1,350,000 in investment income. The Fund Managers significantly underperformed this target in 2001/02 to produce income of £936,000 and their performance is further explained in section 6 of this report.

5. In House Investment Activity and Performance in 2001/02

5.1 The table below summarises short term in house investment activity during the course of 2001/02.

<b>Table 4 - Short Term In House Investment Activity in 2001/02</b>				
	Opening Balance	New Investment	Investments Recalled	Closing Balance
	£000	£000	£000	£000
Banking Sector	6,500	47,629	51,129	3,000
Building Societies	-	28,800	24,800	4,000
<b>Totals</b>	<b>6,500</b>	<b>76,429</b>	<b>75,929</b>	<b>7,000</b>

5.2 In-house money market investments are managed to achieve optimum returns within the constraints of the Council's short term cash flow requirements. In particular, care is taken to ensure that adequate funds are available to pay precepts to Surrey County Council and Surrey Police, major capital scheme payments and transfer business rates collectable to the Government's national pool. Recourse to short term borrowing is used only as a last resort and no such borrowing was made in 2001/02.

5.3 The annualised rate of return of in-house managed investments was 5.02% in 2001/02 and the total earnings were £611,000. The interest rate earned was below the budget assumption for in house investments of 6%, but the total earning were still marginally greater than the initial budget assumption of £600,000. The increased in house investment earnings were generated from the following factors:

- Higher reserves and balances brought forward into 2001/02
- General cash flow enhancements (especially tax collection rates)
- Some slippage on capital projects and major housing repair and improvement works.

5.4 Returns from in-house investments can be measured against external benchmarks. Because in-house investments are lent only for periods commensurate with the Council's short term cash flow obligations, an appropriate comparison is a short term index. Table 5 illustrates simple comparisons of in-house performance against average short term indices for 2001/02:

<b>Table 5 - Comparison of Investment Returns: 1 April 2001 to 31 March 2002</b>	
Index	Annualised Return %
Local authority 7 day index weekly average - simple	4.35
Local authority 7 day index weekly average - compound	4.48
Return on in house managed investments	5.02

5.5 The pleasing in-house return partially resulted from the high yield from two investment decisions made in 2000:

- i) £1m invested with the HFC Bank in February 2000 for 2 years at 7.27%, and
- ii) £1m investment committed for October 2000 (then to run for one year) with Bayerische Landesbank Girozentrale at 7.125%.

5.6 Unfortunately both investments matured in 2001/02 and the benefit of the high yield will no longer be available.

6. Fund Managers Performance

6.1 General

6.1.1 The performance of both external fund managers has been disappointing, particularly so for Investec. This followed a good year for both managers in 2000/01 and another year of disappointing results in 1999/2000.

6.1.2 Sterling Consultancy Services have supplied a report that comments on their performance in absolute terms and relative to other cash fund managers. A copy of this report has been placed in the Members Room.

- 6.1.3 Until June 2001, the fund managers gave presentations every six months to explain their performance and future strategy to the Corporate Management Committee and its predecessors. More recently these have been made to the Business Review Board. The December 2001 presentation was cancelled. Members agreed at the March meeting of this Committee that future presentations would be made to this Committee. This has been arranged for the meeting on 4 July when Members will have the opportunity to question both the fund managers directly.
- 6.1.4 The cash returns generated by the Council's two managers is summarised in the table below

	Investec £000	Invesco £000
Fund Manager's Valuation at 31 March 2002	11,684	11,731
Fund Manager's Valuation at 1 April 2001	10,268	10,191
Change in fund valuation in 2001/02	416	540
Adjustment for Managers fees	3	(23)
Net Gain in 2001/02	419	517

- 6.1.5 The adjustment for Manager's fees line is necessary because of the difference in the way that the fees are treated. Investec deduct their fees direct from the Fund whereas Invesco send an invoice for payment. The small adjustment for Investec is for the recovery of the VAT element of fees deducted from their Fund.
- 6.1.6 During the year the Fund Managers adopted markedly different investment strategies and these help explain differences in their performance. Tables 7 and 8 illustrate this by showing the type of assets held in the funds at the end of each quarter in 2001/02.

Asset Type	Start of Year	30 June 2001	30 Sept. 2001	31 Dec. 2001	31 March 2002
	£000	£000	£000	£000	£000
Fixed Interest - Gilts	-	-	1,747	5,094	6,899
Certificates of Deposit	11,172	11,302	9,628	6,397	4,449
Cash	96	96	189	135	335
<b>Valuation</b>	<b>11,268</b>	<b>11,398</b>	<b>11,564</b>	<b>11,626</b>	<b>11,683</b>

Asset Type	Start of Year	30 June 2001	30 Sept. 2001	31 Dec. 2001	31 March 2002
	£000	£000	£000	£000	£000
Fixed Interest - Gilts	-	538	1,190	2,306	1,684
Fixed Interest - Eurosterling Bonds	558	542	535	532	535
Certificates of Deposit	10,564	12,379	9,029	8,486	10,728
Cash	69	(2,144)	738	292	(1,216)
<b>Valuation</b>	<b>11,191</b>	<b>11,315</b>	<b>11,492</b>	<b>11,616</b>	<b>11,731</b>

- 6.1.7 During the second half of the year Investec had significant holdings in Gilts. This is traditionally seen as a more aggressive market stance. By comparison Invesco held considerably more of their portfolio in shorter dated Certificates of Deposit. Invesco also used gilts in the year but for relatively shorter periods. Invesco have also retained their modest holding in Eurosterling Bonds. Both fund managers express optimism for the 2002/03 financial year.
- 6.1.8 The following paragraphs discuss their performance in more detail.
- 6.2 Investec Investment Management Ltd
- 6.2.1 This fund was established in 1994 with an initial sum of £5 million. An additional £960,000 was deposited with Investec in February 1997 following the sale of the in house gilt holdings and a further £1.8 m in March 1999 to bring the fund up to approximately £10m. Interest earnings accumulate in the fund to allow the fund managers to tailor investments to market

conditions rather than repayment requirements. There was no cash flow requirement in 2001/02 for earnings on the fund to be transferred to the Council. The amount in the fund at 31 March 2002 was £11,683,489.

6.2.2 The Fund has significantly underperformed the comparator index in 2001/02. The net rate of return on the fund in 2001/02 of 3.69% was significantly below the three month LIBID (London Inter Bank Bid Rate) of 4.55%. However, this fund is designed to take a long term view and the long term performance since the inception of the fund shows a return of 6.90% against the LIBID benchmark return of 6.09%.

6.2.3 The significant level of holdings in gilts has been the dominant reason for Investec's underperformance in 2001/02. Investec did not trade the gilt market successfully and this meant that these holdings proved a poor investment. Sterling Consultancy Services have expressed concern over the risks still inherent in Investec's strategy which relies heavily on their view of interest rate movements being correct. Investec have supplied a succinct explanation (copied at Appendix "J") of their performance in 2001/02 and their reasons for their current market position.

6.2.4 Investec are regarded as a relatively aggressive fund manager and this is borne out by the volatility of their performance over recent years.

### 6.3 Invesco Investment Management Ltd

6.3.1 This fund was established on 1 April 1999 with an initial sum of £10 million. Interest earnings accumulate in the fund to allow the fund managers to tailor investments to market conditions rather than repayment requirements. There was no cash flow requirement in 2001/02 for earnings on the fund to be transferred to the Council. The amount in the fund at 31 March 2002 was £11,730,894.

6.3.2 The performance benchmark for the Invesco fund is the 3 month LIBID rate compounded monthly. The way that Invesco calculate this benchmark is different from the Investec method, hence the slight difference in the rate. Their target is to exceed this benchmark rate by 0.5% a year. The net rate of return on the fund in 2001/02 of 4.62 % is 0.03% points greater than the benchmark rate of 4.59% (but below the target rate of 5.09%). Therefore, Invesco have underperformed against the benchmark for 2001/02.

6.3.3 Invesco have had much smaller holdings in fixed interest stock than Investec and have traded these holdings more successfully. They have also taken a significant position in one year Certificates of Deposits (CD's), ending the year with a portfolio exposure in one year CD's to just under 50%.

6.3.4 The Invesco fund was established in April 1999. Over the three year life of the Invesco fund the net return is 5.25% compared to the benchmark for the period of 5.52%. The poor performance of the fund in 1999/2000 explains this shortfall. Undoubtedly Invesco will look to improve the long term performance of the fund over the coming years.

## 7. Summary

7.1 In house Investment performance was good in 2001/02. This was achieved through strong in house cash flows and previous investment decisions made in 2000.

7.2 The poor performance in 2001/02 from the Fund Managers is disappointing. However, both Managers express optimism for 2002/03. In particular, Investec have now an aggressive position in government gilts and the performance of both managers will be kept under very close scrutiny. The opportunity to question the Fund Managers at the next meeting of this Committee will allow Members to assess their performance in detail.

### **(FOR INFORMATION)**

#### Background Papers

2001/02 final accounts working papers number F1, F3 and F15 (BT's)

Quarterly report from Investec for the quarter ending 28 March 2002 (BT's)

Quarterly report from Invesco for the quarter ending 28 March 2002 (BT's)

Letter and enclosures from Investec dated 23 April 2002 (BT's)

Letter and report from Sterling Consultancy Services dated 23 April 2002 (BT file 183) - exempt

11. IMPACT OF THE CHANCELLOR'S BUDGET (BT)

1. **Purpose of the Report**

1.1 **The purpose of this report is to inform Members of the likely impact of the Chancellor's budget on the Council.**

2. **Background information**

2.1 The Chancellor of the Exchequer made his budget statement to Parliament on 17 April.

2.2 The speech included an announcement of new initiatives that will increase the funding of some local government services, including additional capital investment in education, more money to tackle street crime and increased funding of care for the elderly. The Local Government Association has published a briefing report on the key issues for local government, which can be found on its website at [www.lga.gov.uk](http://www.lga.gov.uk).

3. **Report**

3.1 The main effect of the Budget on the Council is likely to be felt in two areas: employer's national insurance contributions and benefit administration.

*Employer's national insurance contributions*

3.2 From April 2003 there will be an additional 1% national insurance contribution from both employees and employers. This is expected to increase the Council's contribution by £70,000 in 2003/04, of which approximately £63,000 will fall on the General Fund and £7,000 on the Housing Revenue Account. The Local Government Association estimates that the overall cost to all local authorities will be in the region of £300 million, but it is not yet known if the Government plans to take account of these additional costs in next year's finance settlement

*Benefit administration*

3.3 In the Budget, the Chancellor gave more details and rates of the New Tax Credits being introduced from April next year. The new credits are aimed at providing a support framework for families. The new Child Tax Credit will provide a single seamless system of support for families with children. It will bring together support for children currently provided through the Working Families' Tax Credit, Disabled Person's Tax Credit, the Children's Tax Credit, Income Support and income-based Jobseeker's Allowance. Through the new Working Tax Credit, the Government will extend in-work support to those without children, bring in-work support for people with disabilities within a single, work-focused system and continue to provide targeted support for families for whom childcare costs could be a barrier to work. It is intended to present a more detailed report to the June Housing and Community Services Committee on the New Tax Credits (and Pension Credits being introduced from October next year) and their effect on Housing Benefit Administration. This report will attempt to quantify the cost of implementing these changes.

3.4 The Budget papers also stated that the Government is now considering what further action is needed to improve the administration of Housing Benefit as part of the 2002 Spending Review and is continuing to examine the case for longer term reform.

**(FOR INFORMATION)**

**Background Papers**

None stated.

12. CASH RECEIPTING SYSTEM (BT)

1. **Purpose of the Report**

1.1 **The purpose of this report is to seek approval for the purchase of an additional module to enhance the cash receipting system at the request of the Members IT Working Group.**

## 2. Background Information

- 2.1 The Council purchased and installed a new cash receipting system during the 2001/02 financial year. The main features of the system are:-
- counter receipting
  - electronic file import
  - income processing and allocation
  - handling of credit and debit card payments and authorisations by telephone
  - internet payments
- 2.2 The core system went live in December 2001. Telephone payments went live in April 2002 and it is planned to implement the internet payments module in June.
- 2.3 The cash receipting system was purchased from Ideal Technology Services (ITS). In March, the company was acquired by Anite Group plc.

## 3. Report

- 3.1 Since the Council purchased the cash receipting system, ITS has developed an additional module dealing with Interactive Voice Response by telephone. This provides a 24-hour payment service for customers to key-in payment details using a touch-tone telephone. It can also be used to allow customers to access a range of additional facilities provided by the Council via the telephone, for example ordering a benefit claim form, ordering a direct debit form, or reviewing previous payments made into the cash receipting system. All payments made are authorised on-line in the same way as all debit and credit card payments made within the existing modules.
- 3.2 Approximately 300 people contact the Council by telephone each month to pay a bill by debit or credit card. Officers recommend the acquisition of the Interactive Voice Response module for the following reasons:-
- it will automate the process of making telephone payments for those people who choose to use this method of payment;
  - it will provide a service to people outside normal office hours;
  - by making access easier, it may encourage the early settlement of bills;
  - it is consistent with the Government's and the Council's objectives of promoting e-government.
- 3.3 The system incorporates security features and will only allow customers to access data that relates to themselves. It will operate behind the Council's firewall.

## 4. Resource implications

- 4.1 The cost of the Interactive Voice Response module is £7,500. There is scope within the General Information Technology Provision in the capital programme to make the purchase from this budget. This could be financed from the £200,000 capital grant that the Government has made towards the Council's IEG (Investing in Electronic Government) Statement.
- 4.2 The annual revenue costs of the module will be £3,000, comprising £1,000 in software maintenance charges and capital charges of £2,000.
- 4.3 The current cost of handling telephone payments is approximately £3,300 per annum based on an average of 300 transactions each month. This means that the cost to the Council of using the Interactive Voice Response module will break even when monthly transactions transferring to this method of payment reach 270.

### **OFFICERS' RECOMMENDATION that -**

- i) the Interactive Voice Response module be purchased at a cost of £7,500, to be met from the General Information Technology Provision in the capital programme; and**
- ii) the capital expenditure be financed from the government grant received for the Council's IEG Statement.**

### **(TO RESOLVE)**

## Background Papers

Quotations received from ITS

### 13. COOPERS HILL RECREATIONAL TRUST LTD - DISCRETIONARY RATE RELIEF (BT)

#### **1. Purpose of Report**

**1.1 The purpose of this report is to consider an application for discretionary rate relief received from Coopers Hill Recreational Trust Ltd.**

#### **2. Background Information**

2.1 The application for discretionary relief is in respect of the sports ground and premises of the Coopers Hill Recreational Trust Ltd. The organisation have already been granted mandatory relief for these premises, which reduces their rate bill by 80%. The cost of this relief is met entirely by the national pool.

2.2 The Council's Policy and Resources Committee meeting on 2 March 2000 reaffirmed the guidelines to be adopted when considering applications for discretionary rate relief for charities and non-profit making organisations. This is reproduced at Appendix 'K'.

2.3 Guideline 1 identifies four categories of organisation, eligible for mandatory relief, that will normally be granted discretionary rate relief for their remaining 20% rate liability. These are scout and guide organisations, community associations, village halls and day centres.

2.4 Determinations for the granting of relief in cases that fall within the scope of Guideline 1 are delegated to the Borough Treasurer. This application is reported for consideration by the Committee because the Coopers Hill Recreational Trust does not fall into any of the categories described in Guideline 1.

2.5 All cases of discretionary relief approved by the Council have been for the period up to 31 March 2005. This is the duration of the current rating list.

2.6 Discretionary rating relief can only be backdated to the previous financial year if it is awarded by 30 September in the current financial year.

2.7 The club currently receives rent grant aid from the Council. In 2002/03 their rent of £4,000 will be offset by grant aid of £1,500 so the amount payable is reduced to £2,500.

#### **3. Application**

3.1 Coopers Hill Recreational Trust Ltd (otherwise known as the Coopers Hill Club) is a charity whose purpose is to provide recreational facilities for the benefit of the people of the surrounding area. Membership is open to all and currently stands at 620, 59% of whom are residents of the borough. 32% of the members are under 18 years old.

3.2 Their rate liability in the 2002/03 financial year is £5,589.68 which is offset by 80% mandatory relief of £4,471.74 producing a net liability of £1,117.94. In their application, the club have asked the Council to consider awarding them discretionary rating relief for this remaining liability so that they can benefit from 100% relief.

3.3 In their application, the club's trustees point out that although there is a bar on the premises, this is not operated by the club. It is licensed and run by the football club, who pay the club a fee for the facilities.

3.4 The club have submitted accounts for the year ended 31 December 2000 along with financial projections to December 2002. The financial projections are reproduced at Exempt Appendix '1'. These were prepared before rent grant aid was awarded. When grant aid of £1,500 is taken into account, it shows an estimated deficit of £2,500 for the 2002 financial year. The main reason why the club are anticipating a deficit in their operation is because Royal Holloway have withdrawn an annual grant of £5,000.

4. Financial Implications
  - 4.1 If the Committee agree to award discretionary rating relief for the club's remaining rate liability, this will amount to £1,117.94 in 2002/03. 75% of this sum will fall on the General Fund, namely £838. The remaining 25% will be met by the national rating pool.
  - 4.2 There is no provision in the budget for meeting the cost of this relief. A decision to grant relief will require a supplementary estimate of £838.
5. Comparison with Council Criteria
  - 5.1 The club does not fall neatly into any of the categories described in the Council's policy guidelines. The closest description would be "Community Association".

**THE COMMITTEE IS ASKED-**

**whether to grant discretionary business rates relief to Coopers Hill Recreational Trust Ltd.**

**if so it is the OFFICERS RECOMMENDATION that -**

**Coopers Hill Recreational Trust Ltd be granted 20% discretionary business rates relief from 1 April 2002 until 31 March 2005, or until there is a material change in the use of the premises or the circumstances of the Association, whichever is the sooner.**

**(TO RESOLVE)**

Background Papers

Borough Treasurer's "Discretionary Rate Relief for Charities and Non-Profit Making Organisations" file

14. BEST VALUE SERVICE REVIEW AND CONTINUOUS IMPROVEMENT PLAN - INFORMATION SYSTEMS (CEO)  
(Ref: Minutes of Business Management Review Board January 2001, Page 1195, para. 595)

**1. Purpose of Report**

- 1.1 **This report provides a summary of the main findings and recommendations of the Best Value service review for the Information Systems service. The full service review is attached at Appendix 'L'.**

**2. Challenge**

- 2.1 The Scoping and Challenge stages were considered by the Business Management Review Board's meeting in January 2001. The objectives of the service were reviewed to determine whether they continued to reflect the Council's aspirations for the provision of the service.
- 2.2 The Scoping and Challenge stages were endorsed and a number of areas were identified for scrutiny during the process of the Review. These are set out in the Challenge Section of the Appendix.

**3. Compare**

- 3.1 The comparative data available, the opinions of those consulted and the competitiveness of the service have all been reviewed and the main findings of the Review at each of the three stages are attached in the report at Appendix 'M'.

**4. Compete**

- 4.1 Details of a recent voluntary competitive tendering exercise undertaken in respect of the IT function can be found in Appendix 'L'.

5. Continuous Improvement Plan

- 5.1 The proposed Continuous Improvement Plan targets and timescales, set out in the recommendation below, have been drawn up based on the findings at each stage of the Review. Members attention is drawn in particular to recommendation L. In view of the complex nature of the issue of how new systems support should be delivered, the increasing and changing nature of IT provision that will need to be provided in the next three years if the Council is to achieve its e-Government targets, and the likely cost implications of any change in the level and nature of systems support, it is proposed that the matter be looked into at greater length. A further report will therefore be made to this Committee later in the year.
- 5.2 The presentation of this report to this Committee was originally programmed for July 2001. Work on the report was, however, delayed due to staff shortages and the implementation of major new systems.

**OFFICERS' RECOMMENDATION that –**

- i) the Service Review and Continuous Improvement Plan attached at Appendix 'L' be approved with particular reference to the following:**

<b><u>Targets to be implemented at Officer level:</u></b>	<b><u>Timescale</u></b>
<b>a) Introduction of a corporate Document Management System</b>	<b>By December 2002</b>
<b>b) Enabling e-mail facilities at home or work for all Councillors</b>	<b>By October 2002</b>
<b>c) Electronic access to all Agendas and Minutes for all Councillors</b>	<b>By October 2002</b>
<b>d) Implement the facility for remote access for any appropriate staff working at home or off-site</b>	<b>By July 2002</b>
<b>e) Restructuring the IT section to provide additional staffing for Help Desk Support</b>	<b>By June 2002</b>
<b>f) Move the distribution of reports on Help Desk activity and outstanding calls, from paper based to e-mail based, to a wider distribution list</b>	<b>By June 2002</b>
<b>g) Better utilise the Intranet by making the status of systems readily available by this means to all users and allow users to submit Works Authorisations electronically</b>	<b>By June 2002</b>
<b>h) Participation in the Northwest Surrey Benchmarking Group</b>	<b>Ongoing</b>
<b>i) Revision of Departmental Service Level Agreements (SLA) to match the changes taking place in the IT structure identified above.</b>	<b>June 2002</b>

**Targets with financial implications,**

**requiring a further report to the Corporate Management Committee or Council if appropriate:**

- |           |  |                         |
|-----------|--|-------------------------|
| <b>j)</b> | <b>Creation of a corporate BS7666 Property Gazeteer subject to appraisal and spending approval</b>   | <b>By December 2002</b> |
| <b>k)</b> | <b>Production of a second IEG (Implementing E-Government) Statement</b>  | <b>October 2002</b>     |
| <b>l)</b> | <b>Installation of a more resilient infrastructure to limit the impact of hardware and software failures and permit more automated distribution of software, backup of systems and network and hardware monitoring</b> | <b>Ongoing</b>          |
- ii) the Chief Executive be requested to report to a future meeting of the Committee regarding implementation and monitoring of the Continuous Improvement Plan.**

**(TO RESOLVE)**

Background Papers

None.

15. REPLACEMENT OF IT HARDWARE (CEO)  
(Ref: Minutes of Corporate Management Committee, September 2001, page 270, para. 220)

**1. Purpose of Report**

- 1.1 The purpose of this report is to advise Members of the computer hardware that is scheduled for replacement during the year on the grounds that it is not able to carry out the tasks required of it or because it is becoming uneconomic to repair and to seek approval for procuring the identified hardware, software and licences.**

**2. Background Information**

- 2.1 The proposals being made this year continue to follow the longer life cycle for desktop computers and now increase the life of printers a further 6 months, thus continuing the savings made last year. All new monitors are now 17" flat panel models, the larger conventional monitors being moved to where space is not at a premium and/or there is no Document Management System requirement in the coming year.
- 2.2 As reported to this Committee in September last year, all Microsoft licences were upgraded before the published date that a new licensing regime was to be put in place. In the event this deadline has been extended and will now be implemented this year.
- 2.3 Equipment used in connection with the Highways Agency that was due for replacement last year had its life extended and will not be replaced. This is also the case for equipment due for replacement this year. All other equipment in this section is being re-used elsewhere in the Council instead of the purchase of new equipment.

**3. Equipment to be Replaced**

- 3.1 It is proposed that the following changes are made:
- the model of PC selected as the standard be a 1.7GHz Pentium IV computer with 512MB of RAM, CD-ROM and industry standard 40GB hard disk.
  - 15" monitors that are unserviceable be replaced with 17" flat panel monitors, the new monitors to be located where space is at a premium

- Hewlett Packard colour printers be replaced with Deskjet 950C printers, personal printers with Laserjet 2200s, group printers with Laserjet 4100s.
- the last of the 3Com hubs be replaced to make the network fully 100mb.
- The operating system in use by the Council be upgraded to a full Windows 2000 implementation. This is essential as the new systems that will be required in the coming years will need this version of Windows as Microsoft is withdrawing support for NT next year. The upgrade will involve a complicated conversion process requiring the design and installation of an Active Directory. The cost of consultancy to ensure that this upgrade is carried out efficiently is included in the replacement costs.

#### 4. Equipment Identified

4.1 The distribution of the equipment to be replaced is identified as follows:

Department	Item	No.	Usage
CEO	Processors (Servers)	5	Planning/General/Internet/Intranet/Committees
	Monitors	3	CEO/Elections/Training
	Monitors (Large)	1	IT Support
	Processors (Standard)	11	CEO/Training/Elections/IT Ops
	Processors (Workstation)	2	IT Web
	Notebooks	5	Loan Machines
	Printers (Cheque)	1	IT Support
	Printers (Standard)	2	CEO/IT
	Printers (Personal Laser)	2	Members/IT
	Network Switches	4	IT Network
Environmental Services	Processors (Servers)	2	Depot/Flare
	Processors	5	Depot/Admin
	Monitors	2	Depot/Admin
	Printers (Standard)	1	Depot/Admin
	Printers (Personal Inkjet)	1	Admin
Housing	Monitors	3	Housing Admin
	Processors (Standard)	8	Housing/Community Services
	Printers (High Speed)	1	Rents
	Printers (Standard)	1	Housing Maintenance
	Printers (Personal Laser)	1	Rents
Borough Secretary	Monitors	8	Abbeylands/ESC/Leisure Admin/Valuation
	Processors (Server)	1	Abbeylands
	Processors (Standard)	11	Most Sections
	Printers (Personal Laser)	3	Admin/Legal
	Printers (Personal Inkjet)	8	Admin/ESC/Chertsey Museum
Technical Services	Monitors	2	Admin
	Processors (Standard)	13	All
	Printers (Personal Laser)	4	Admin/Drainage
	Printers (Personal Inkjet)	3	Building Control/Building Services/Forward Planning
Borough Treasurer	Monitors	4	Accountancy/Cash Office
	Monitor (Large)	2	Accountancy
	Processors (Standard)	11	Accounts/Cash Office/Council Tax/Fraud/Revenues/Admin (-2)
	Printer High Speed)	1	Accountancy
	Printer (Standard)	1	Revenues
	Printer (Personal Laser)	1	Business Rates

#### 5. Financial Implications

5.1 The replacement cost for the items set out above is indicated in the following table.

Item	Description	Unit	Number	Total	Notes
Monitors	Flat Panel (17")	450	22	9,900	4
	19"/21"	700	3	2,100	
Processors	Standard	800	66	52,800	4
	Workstation	1,200	3	3,600	
	Notebook	2,000	5	10,000	
	Server	7,500	9	67,500	
Printers	4100dtn	1,250	9	11,250	1
	8000/Cheque	2,000	3	6,000	1
	2200dtn	850	7	5,950	1
	960C	130	12	1,560	
Network	Cisco Switches	2,000	4	8,000	2
Operating System	Active Directory Implementation	20,000	1	20,000	4
Licences	MS Office Upgrades	17,500	1	17,500	3
Upgrades	Memory/Disk	3,000	1	3,000	
Installation		12,000	1	12,000	
				231,160	

Met from the following budgetary provision:

Hardware Replacement Programme	213,000
General Information Technology Provision	18,160

Notes:

1. As was the case last year all laser printers are being equipped with duplex units so that the Council can make significant savings in the use of paper in line with the commitment to energy conservation.
2. Replacing the remaining 3Com hubs will ensure compatibility over the network and 100mb to every desktop.
3. The Microsoft licences for this year were purchased last year under the old pricing regime. This sum represents the reallocation of these funds to this year.
4. The larger monitors are being installed in order to facilitate the use of DMS and so to provide the infrastructure for more customer facing systems. The larger monitors cost an extra £200 per device making a total of £4,400. Two of the servers handle Intranet and Internet activities and are being upgraded to facilitate greater staff and public access at a cost of £15,000. The Active Directory upgrade will provide the infrastructure for more resilient systems at a cost of £20,000. All of this expenditure (totalling £39,400) is consistent with the aims set out in the Council's IEG Statement.

5.2 Suppliers for the equipment should be:

- a) Personal Computers and Servers – The lowest bid from three suppliers who are part of the Government Catalogue (GCAT) scheme. GCAT will carry out the tendering processes on behalf of the Council and ensure that best value is achieved.
- b) Monitors, printers, additional memory and licences - the best of at least three quotations.
- c) Active Directory consultancy, the best of at least three quotations.

5.3 It has been found to be financially most advantageous to purchase processors, monitors, printers and licences from separate sources. This practice will continue.

5.4 The capital programme includes a sum of £213,000 in 2002/03 to provide for the replacement of equipment. The additional sum required for the replacements this year can be attributed to upgrading the network to ensure consistent access to the main servers and to the migration to Active Directory, a step necessary to ensure the effective installation of

new systems being introduced later in the year. It is therefore proposed that the balance of £18,160 be sourced from the General Information Technology Provision which was set up for the purpose of promoting new IT initiatives.

- 5.5. As reported in Note 4 in paragraph 5.1, the total cost of £231,160 is inflated by £39,400 in order to provide equipment that will handle the new initiatives set out in the Council's IEG Statement. It is proposed to finance this element from the Government grant paid to support the Statement.

**OFFICERS' RECOMMENDATION that -**

- i) the software, hardware and licences set out above be replaced at a sum not exceeding £231,160;**
- ii) £213,000 of this expenditure be met from the Hardware Replacement Programme and the remaining £18,160 from the General Information Technology Provision, to be financed from the IT Renewals Reserve and Government grant; and**
- iii) procurement of the equipment be made in accordance with Standing Orders and from the sources specified in paragraph 5.2 above.**

**(TO RESOLVE)**

Background Papers

None stated

16. REVENUES AND BENEFITS SYSTEM UPGRADE (CEO/BT)

**1. Purpose of Report**

- 1.1 The purpose of this report is to describe the need for an upgrade to the computer system used to support the work of the Revenues and Benefits Sections, recommend a means of upgrading the present computing facilities and seek approval for contracting to carry out this upgrade.**

**2. Background Information**

- 2.1 Under the Local Government Finance Bill 1992 the Council has a statutory duty to levy a Council Tax on all eligible residents within the Borough, calculate and collect business rates from all businesses with the Borough and to administer the calculation and payments of benefits to local residents.
- 2.2 The application used to support these functions is First Revenues and Benefits (FRB). This is an Oracle application produced by Sx3 Ltd (a subsidiary of Viridian). First Software Ltd., the former providers of the product, were acquired by Sx3 Ltd. during 2000. (A glossary of terms used in this report can be found at Appendix 'O').
- 2.3 Last year Sx3 announced that they would terminate support for FRB towards the end of 2002 giving their customers the necessary notice in accordance with their contracts. The path recommended for users by Sx3 was to a new product, iWorld developed by Sx3, which, although it builds on the basic data structures used in FRB, is a total rewrite of the product with a radically different feature set. iWorld is designed specifically to integrate with Document Management Systems (DMS's) and is browser based so that many of the new customer facing features can be accessed through the Internet or on local Intranets.
- 2.4 To migrate to iWorld all customers have to purchase iWorld licences. There are also hardware implications of moving to iWorld as this application uses a different architecture from FRB requiring the purchase of additional server hardware.

### 3. Options Available

- 3.1 Revenues and Benefits software requires continual maintenance as changes in legislation must be incorporated into the software as soon as they become effective. In the case of FRB this has resulted in at least one major revision of the software each year and, due to its necessary complexity, there are numerous patches and minor upgrades that have to be applied throughout the year.
- 3.2 In addition the underlying Oracle database is subject to regular upgrading as the supplier ensures that the software is always running on a version of Oracle that is fully supported by the database and operating system suppliers.
- 3.3 For these reasons carrying on using a version of FRB that does not have a maintenance contract with Sx3 is not a viable option. In a very short space of time the Council would not be able to carry out its functions using outdated software.
- 3.4 The options available within the structure of the Information and Communications Strategy, which seeks to purchase packaged solutions wherever possible, are therefore threefold:
- 3.4.1 Upgrade to iWorld, thus staying with the present supplier but on their new product
  - 3.4.2 Purchasing a package from one of the competitors of Sx3
  - 3.4.3 Purchasing a managed service

### 4. Selection Process

- 4.1 The extent of the competition in this area was ascertained bearing in mind the need to acquire a system that fully integrates with the other hardware and software at present in the Council and anticipated as a result of pursuing the Council's Implementing Electronic Government (IEG) Strategy. This gave preference to Oracle based solutions running on a Windows 2000 server hardware platform. The other criteria used in determining possible solutions were:
- how secure the supplier is as a company
  - their stated intentions
  - their credibility in achieving these intentions
  - total cost of ownership of the product including support and training
  - the risk factors associated with the approach being offered
- 4.2 Sx3 is one of the market leaders in supplying Revenues and Benefits solutions in this arena. Their major competitor is Academy, a subsidiary of Capita that concentrates on the local government market sector. Academy offer similar functionality to the present FRB, their software being based on an Ingres database supplied by Computer Associates.
- 4.3 The other competitors in the non-mainframe supply of Revenues are very small players except for Anite and Bull Information Systems. The former company has purchased the ICL local government portfolio of software which it now markets and supports under its own banner while Bull maintains a small number of sites apparently preferring to support systems using its proprietary operating system. IBM favour software running on their Z range of computers (formerly AS400) sold through a partner network while maintaining their mainframe offerings.
- 4.4 A discussion has been held with ITNet to ascertain the viability of an established facilities management provider in this market sector delivering the IT support for the Revenues and Benefits collection. It quickly became clear that in itself this approach would be of little interest to this sort of company who would seek to either include the whole Revenues collection task in such a contract or alternatively the whole Council IT support task. It would need a contract of this size to make this approach viable for a company such as ITNet.

- 4.5 In this environment three options were examined in more detail:
- 4.5.1 Purchasing iWorld
  - 4.5.2 Purchasing the Academy system
  - 4.5.3 Sx3 becoming an Application Service Provider (ASP) for the Council using the iWorld product.
- 4.6 Discussions were held with Sx3 and Academy and costings were obtained for both solutions. In addition discussions were held with Sx3 to determine the viability of the ASP option which is offered by Sx3. However this option has not been pursued further because there are currently no other users of this service, and the cost to the Council would be almost 50% higher than outright purchase.
- 5 Risk Analysis
- 5.1 Appendix 'M' gives a comparison of the risks involved in the first two approaches identified above that appear the most viable. Each risk factor is categorised on a five point scale where 1 represents a very low risk and 5 represents a very high risk.
- 5.2 As can be seen, the approach using Sx3 has an average score placing it at the lower end of the risk score because it involves a conventional upgrade to the new product. Moving to the Academy system presents a medium risk due largely to the move to an Ingres database.
6. Selection Process
- 6.1 In summary the cost of migrating to iWorld or the Academy software is very similar but the composition of the costs vary widely as shown in Appendix 'N'. This is because while Sx3 charge for new licences and there is a need for a substantial hardware upgrade Academy heavily discount the licence costs but charge the full cost of the data migration. Academy would require only minor revisions to the hardware platforms currently in use.
- 6.2 The risk analysis at Appendix N shows that upgrading to iWorld would represent the lower risk option. This is the option favoured by IT staff. While the iWorld interface looks different from the present FRB interface, the logic and calculations behind the screens is similar. This will minimise the retraining task necessary for staff. It is difficult to quantify the additional cost of moving to software with a different underlying modus operandi but it does have an impact on the element of risk in moving to the new system.
- 6.3 From a user perspective, the experience of the SX3 product has not been a happy one. The system has required regular enhancements to the server and discs with the result that the hardware has never had the life expectancy that was anticipated. New releases of the Oracle database have occurred frequently and these have been disruptive and costly. The product is not easy to control and maintain and this has not been helped by the fact that the SX3 support team has been overstretched in the past. There is concern that these experiences will continue to handicap the service if the Council continues to use the SX3 system. The recommendation in this report does not therefore have the endorsement of users.
7. Contractual Requirements
- 7.1 The principal terms and conditions proposed are set out below:-
- a) Hardware, software and documentation will be delivered during the summer of 2002 in line with a statement of deliverables included in the contract document. This will incorporate a fully integrated Benefits, Council Tax and NNDR solution.
  - b) Acceptance testing will take place during October and November 2002 with a view to going live in late November 2002.
  - c) Data from the existing software be converted to iWorld at a fixed cost.

- d) In order to achieve the success required with this project in accordance with the implementation schedule, it is imperative that contractual arrangements are finalised at the latest by the end of the financial year. It is recommended that the Chief Executive officer negotiate the terms with Sx3 and agree them in consultation with the Chairman of the Corporate Management Committee.

## 8. Financial Implications

- 8.1 The cost of upgrading to iWorld will require capital expenditure of £118,500. The cost of revenue maintenance and support costs, totalling £60,500 per annum can be met within existing budgets.
- 8.2 The capital programme includes a provision of £100,000 in the current financial year for the Revenues System. A substitute capital budget of £118,500 will need to be approved.

## 9. Conclusion

- 9.1 In order to ensure sufficient time to fully test and integrate the new system into the work of the Council before the 2003 billing, progress must now be made in selecting the supplier of the Council Tax, Business Rates and Benefits systems.

### **OFFICERS' RECOMMENDATION that -**

- i) the Revenues and Benefits system be upgraded to iWorld; and**
- ii) the capital budget for the Revenues and Benefits system be revised from £100,000 to £118,500 and this be financed from capital receipts in hand.**

### **(TO RESOLVE)**

Background Papers

Letter from Academy (Exempt).

## 17. GIS AND LAND CHARGES SYSTEM UPGRADES (CEO/BSLSO/BTSO)

### 1. Purpose of Report

- 1.1 **The purpose of this report is to inform Members of the need for an upgrade to the Geographic Information System (GIS), the impact of this on the Local Land Charges application (ARCLLC), to recommend a means of upgrading the present facilities and seek approval for contracting to carry out this upgrade.**

### 2. Background Information

- 2.1 The GIS used by Runnymede was originally installed in 1991. It consists of software supplied by ESRI (UK) Ltd and can be seen as being in two parts, GIS software that permits the Council to handle all property and map related information electronically and a specific application that uses this GIS, namely the Local Land Charges software that allows the Council to fulfil its statutory duty to provide Local Land Charges searches for the public and to maintain the Local Land Charges Register.
- 2.2 The software and hardware has been upgraded a number of times during the past 11 years moving from the original version 4 of ArcInfo, the ESRI software, through to version 7 now in use. The hardware has also been upgraded from an original IBM server in 1991 running the IBM version of Unix (AIX) through Dell servers running Windows NT to the current Hewlett Packard servers, also running Windows NT. The software now uses Oracle as the database storing all the textual information.
- 2.3 Use of the version of ARCLLC at present loaded, ie version 7, is now presenting the users with a number of problems, namely:

- The version of ARCInfo loaded will cease to be supported by ESRI in March 2003. The Council has been given notice that support will be withdrawn at that time.
- ARCLLC, the local land charges application will cease to be supported at the same time, March 2003.
- The version of the database in use, Oracle 7.3.4 is no longer supported by Oracle who only support the two most recent versions of the database, namely versions 8 and 9.
- Support from Microsoft for the Windows NT operating system will cease next year when users will have been expected to migrate to Windows 2000.

2.4 While this software is reaching the end of its supported life the Council is building the BS7666 property gazetteer to be the foundation of property referencing for all organisations within the Borough and the local component of the national land and property gazetteer. The closest possible integration of this property gazetteer in the corporate GIS and all other property related systems is clearly essential.

### 3. Options Available

3.1 ESRI offer a clear migration path from version 7 of ARCInfo to a suite of new products that are effectively version 8 of ArcInfo but now called ArcGIS. Given the Council's investment in this product, which includes over 10 years capturing the Land Charges Register and planning applications back to 1948 on the ArcInfo platform, and the general level of satisfaction with ARCInfo as a corporate GIS, change to another product would only be undertaken if there were very strong reasons to change supplier. In addition the maintenance agreement on ArcInfo provides the upgrade of the licences to ArcGIS 8 free of charge.

3.2 ESRI are one of the market leaders in GIS and in terms of functionality, scalability and price performance are a market leader. No other supplier has been identified who can offer a product that has such clear cut advantages as to warrant the massive exercise in porting all of the planning and land charges data and retraining staff in the use of a new GIS.

3.3 As far as Land Charges is concerned the situation is rather more complex. The ArcLLC software in use is being discontinued by ESRI who have acquired a new product that they have developed as their local land charges solution. This product was acquired as a result of the ESRI (UK) Ltd take over of CAPS Ltd, a company with an existing text based local land charges system. ESRI has developed this software to work with ARCGIS and named it TCL, standing for Total Land Charges.

3.4 The Council has on site another supplier who produce local land charges software as part of a suite of programs. This company is MVM who supply the Council with its Building and Development Control software. This software at present is integrated with the GIS to a certain degree, exchanging Development Control data with ArcInfo.

### 4. Selection Process

4.1 Local Land Charges staff have seen demonstrations of the TLC and the MVM products and discussed their usage with both suppliers. While the functionality of TLC from a spatial point of view is not as sophisticated as ARCLLC in some ways, the administrative facilities are superior. It will also have the advantage of being a standardised package on sale to many more customers than the current ARCLLC (which has less than a dozen customers.) The MVM software matches TLC in most respects. However it is as yet not NLIS compatible and therefore unable to provide the completely electronic service that the Land Charges Section is committed to provide.

4.2 However in two areas a move from ARCLLC to TLC will have a lower risk than a move to MVM software.

4.2.1 ESRI are already migrating users from ARCLLC to TLC and so will have had experience of porting the data from one product to the other. With MVM this Council would be the first to make the move.

4.2.2 ESRI are building TLC to work closely with ARCGIS and as complete owners of both products have all of the information they require to carry out this task. MVM do not provide an in-house GIS and seek to integrate their software with the market leading GIS products. ARCGIS is one of these. However the degree of integration proposed is much more modest than is the case with TLC and there would be a considerable element of extracting data from the GIS through a common interface (SHAPE files), manipulating the data and storing it temporarily in the MVM application, and exporting processed data back into ARCGIS through the common interface. This is inherently complex and liable to present more difficulties than direct integration with the GIS.

4.3	Risk Factors	ESRI TLC	MVM	Other Supplier
	Established product	Medium risk – based on an established product from CAPS	Low risk – established user base	Low risk if established user base
	Integration with ArcInfo	Low risk – both products owned by ESRI	Medium/High risk – this link has not been established before	High risk – this link has not been established before
	Conversion of data	Low risk – ESRI will have had experience of this porting exercise	Medium risk – this would be the first porting exercise	Medium risk – this would be the first porting exercise

4.4 When comparing the three options it was decided that migrating ARCLLC to TLC was the lowest risk and most practicable solution:

#### 5. Contractual and Financial Requirements

5.1 The cost of moving to ARCGIS 8 and TLC is summarised in the table below:

<b>One off Capital Costs:</b>	<b>£</b>
Software licences:	
ArcGIS 8	FOC
TLC (which includes GMS)	20,000
ARCIMS	7,500
Implementation	
Project Management	11,500
ArcGIS (including interfaces)	5,000
TCL (including Uniform database)	15,000
ARCIMS	3,500
Data migration (call off contract)	10,000
Training (20 days)	5,000
Contingency	2,500
Total	80,000
<b>Annual Revenue Costs</b>	
Software maintenance	7,000

5.2 There is no budget in the capital programme for this expenditure. A new budget of £80,000 will need to be approved.

5.3 The ARCIMS element of the costs, totalling £11,000 (£7,500 for software licences and £3,500 for implementation), represents enhancements identified in the Council's IEG Statement. It is proposed to finance this part of the budget from the Government grant paid to the Council for its IEG initiatives. The rest of the budget will have to be financed from capital receipts.

6. Conclusion

- 6.1 The Council's considerable investment in ArcInfo would be best protected by upgrading to the latest release of the product, ArcGIS 8. This will permit the Council to move back to continue to use supported version of the Windows operating system after next year and would allow the Council to move back to using a manufacturer supported version of the Oracle database.
- 6.2 The local land charges data should be migrated to the ESRI/CAPS equivalent of ARCLLC, namely TLC. This should take place well before support for ARCLLC is withdrawn in March 2003.

**OFFICERS' RECOMMENDATION that -**

- i) ARCInfo 7 be upgraded to the current version of the product, ARCGIS 8 at nil licencing cost;**
- ii) ARCLLC be migrated to TLC at a total cost not exceeding £80,000;**
- iii) the Land Charges software Revenue budget be adjusted to allow for a software maintenance cost for TLC of £7,000 per annum; and**
- iv) the cost of the above recommendations be borne as to £11,000 from the Implementing Electronic Government monies allocated by the Government and the remainder from capital receipts.**

**(TO RESOLVE)**

Background Papers

None

18. SYSTEMS RESILIENCE AND SECURITY (CEO)

**1. Purpose of Report**

- 1.1 The purpose of this report is to identify a means to ensure the availability and security of critical systems, and to seek approval for the establishment of an appropriate infrastructure.**

**2. Background Information**

- 2.1 A number of trends are evident in the demands that are being made on the Council's computer systems and in users' requirements. These were particularly highlighted in the Information Systems Service Best Value interviews with staff and can be divided into three areas:
- i) There is a rapid increase in the total disk storage requirements as the Document Management System (DMS) starts to store a large number of images and the Revenues and Benefits software stores increasing quantities of data.
  - ii) Simultaneously there is a growing requirement for systems to be available for the whole working day and often every evening while batch processes are carried out. For systems that are client facing there will be a growing requirement for them to be available 24 hours a day, 7 days a week.
  - iii) The need for rapid recovery in the case of disk or system failure is becoming more important as the loss of key systems such as DMS, Revenues and Benefits and Housing means that staff are unable to deliver a service while the systems are out of commission.

2.2 These three imperatives place a growing strain on a number of aspects of the network and hardware as it is currently configured. At present the Council operates with a number of servers each with their own disk storage and backup facilities. Thus the DMS consists of 5 servers; a live server, an archive server, a database server, a workflow server and a web server. This configuration is backed up onto a tape library which is a device with two tape drives that can automatically load up to a dozen tapes on a scheduled basis. As the volume of data grows, the window of opportunity for carrying out backups will become too small to prevent the backup process impinging on up-time. Also a strain will be placed on the network as large quantities of data are passed over the LAN as part of the backup process.

### 3. Storage Area Networks (SANs)

3.1 One way to resolve this dilemma is through the use of a storage area network (SAN). A SAN is a dedicated network that is separate from the Local Area Network (LAN). It can be used to connect the storage-related resources that are required by one or more servers at high data exchange rates. The SAN can include specialised software for management, monitoring and configuration.

3.2 Deployment of a SAN will radically improve both the available LAN bandwidth and reduce the processor overhead suffered by individual systems.

3.3 This centralisation of storage delivers a number of tangible operational and management benefits:

- the disassociation of storage from each individual server allows the consolidation and accurate allocation of storage resources to specific applications.
- upgrades are non-disruptive as additional devices can be added to the "live" SAN.
- expensive devices such as tape libraries can provide backups for a number of servers more simply.
- The ability to have simple remote connections allows simpler deployment of "disaster tolerant" and "business continuance" systems.

3.4 The management software eliminates the one-to-one relationship between the SAN-connected computers and the disk volumes needed by those computers. It transparently enables multiple computers to share single disk volumes on the SAN-storage.

3.5 The advantages of introducing a SAN would include:

- the recovery of deleted or corrupt data 2-5 times faster than at present
- Minimisation of data loss through automatic backups and archiving.
- the provision of real-time backup of databases thereby eliminating the backup window.
- allowing authorised users to recover files without operator intervention.
- a reduction in network traffic and the provision of LAN free backups.
- the removal of backup windows (thereby assuring the 24x7 availability).
- storage capacity upgrades without backing up to and restoring data from tape.
- Server maintenance with minimal interruption to production services.

### 4. Proposal

4.1 In order to install the infrastructure to permit new systems to utilise centralised storage in this way, the Council requires the installation of a fibre switch that will allow a number of servers to be connected to the shared storage and a SAN storage unit. This would be populated with disks as servers that were connected to the SAN. Initially this would be the new servers planned for this year, namely Revenues and Benefits, Housing and the Financial Management system and as the DMS disk requirements grow these would be added to the SAN. This would be achieved by the purchase of an LSI E Megastore 2400 storage solution, a Brocade Silkworm 2400 Fibre Switch and the management software which includes the ability to take a "snapshot" of the disk volumes and backup this to tape off-line

### 5. Financial Implications

5.1 The cost of purchasing and commissioning this solution is:

	£
LSI E-Store 2400	20,000
Brocade Silkworm 2400 Fibre Switch	7,000
SANtricity magement software	8,000
Total	35,000

5.2 The annual running costs of this solution are as follows:

	£
Hardware maintenance (E2400 & Brocade 3200)	6,500
Software maintenance (SANtricity/SANshare & SNAPshot)	3,500
Total	10,000

5.3 This hardware is supplied through a number of LSI partners. It is proposed that the purchase be made from the lowest of at least three quotes.

5.4 Installation of the SAN will contribute to providing the infrastructure that will allow increases in system resilience and permit the implementation of customer facing systems that operate for 24 hours a day, seven days a week.

## 6. Conclusions

6.1 Improvement of the hardware infrastructure to enable the centralisation of storage is a measure that will lead to improvements in the availability and resilience of a number of systems. It is therefore proposed that it be met from the general Information Technology provision. This provision exists in the capital programme for the purpose of promoting new IT initiatives. The expenditure is necessary to support the initiatives in the Council's IEG statement, and thus it is intended to finance it from the Government grant paid to support the statement.

### **OFFICERS' RECOMMENDATION that -**

- i) the hardware referred to in paragraph 5.1 above be purchased for a sum not exceeding £35,000;**
- ii) this expenditure be met from the General Information Technology Provision, to be financed from the Government grant;**
- iii) an annual revenue provision of £10,000 be made to support this installation; and**
- iv) procurement of the equipment be made from the sources specified in paragraph 5.3 above.**

### **(TO RESOLVE)**

#### Background Papers

None

## 19. TELEPHONE SWITCHBOARD MAINTENANCE (CEO)

### 1. Purpose of Report

1.1 **The purpose of this report is to explain the sharp rise in the budgetary requirement for the Alcatel switchboard and seek approval for a revised budget.**

## 2. Background Information

- 2.1 In 1996 the telephone switchboard was replaced with an Alcatel 4400 digital switch. At the time of purchasing this equipment a maintenance agreement was signed with Alcatel giving a next working day response (8 hour response) to problems with the hardware. Part of the contract contained a clause permitting Alcatel to increase the charge for maintenance year on year but at no more than the rate of inflation as shown by the retail price index for that year. The charge to be made to the Council would be the cost of support as published by Alcatel.

## 3. Present position

- 3.1 Due to an administrative slip up on the part of Alcatel the annual charge made for maintenance has not been increased year by year and as a result the Council is still paying at the same rate as in 1996. In addition no charge has been made for the additional equipment added at the time of extending the telephone system to the Depot last year.
- 3.2 The Council has held this budget at the original figure as this has been all that has been required over the past 6 years.
- 3.3 Alcatel have realised this mistake and now intend billing the Authority at the published prices as originally agreed. However, as this involves something of a leap in the charge they have agreed to do this over a two year period. During 2002/2003 the Council will pay a sum half way between the 1996 figure and the 2002 figure for maintenance. In 2003/2004 the charge will be for the amount calculated as per the original agreement.

## 4. Proposed enhancement

- 4.1 At this point in time the original cover also appears inadequate. A worst case scenario could see a fault occurring at 5pm on the Thursday before Good Friday. If this was reported immediately Alcatel would not be contracted to turn out to fix the problem until 8 working hours later, which would be first thing on Wednesday morning. Clearly the Council could not be without the main switchboard for this length of time. Safer Runnymede depend on this facility to allow members of the public to contact them and many services provided by the Council are highly dependent of the public being able to contact staff by telephone.
- 4.2 On the one occasion in recent times that there was a problem with the switchboard Alcatel did perform in excess of the contract and allowed staff to log a call over the weekend to be acted upon on the following Monday. However the Council should not rely on Alcatel acting in this way if the situation were to arise again. Indeed it would have been better if the problem had been resolved before the offices opened on the Monday morning as would be the case with an upgraded support contract.
- 4.3 It is therefore proposed that the call out be improved to a 4 hour call-out, 24 hours a day.

## 5. Financial Implications

- 5.1 In order to fund the enhanced maintenance cover and to compensate for the unintentionally discounted service received previously, the budget for maintenance of the Alcatel hardware must rise from £4,500 in 2000/2001 to £9,500 per annum during 2002/2003 and a further £5,000 next year. The price of the depot maintenance will remain at £600 per annum.

### **OFFICERS' RECOMMENDATION that -**

**the budget for the Alcatel hardware maintenance be increased by £5,000 in the current financial year and a further £5,000 (adjusted for inflation) for the 2003/04 financial year.**

### **(TO RESOLVE)**

#### Background Papers

None Stated.

## 20. REVIEW OF SALARIES 2002 (CEO)

### 1. Purpose of Report

1.1 **The purpose of this report is to recommend the level of adjustment to salaries of staff subject to the Runnymede pay scales with effect from 1 July 2002.**

### 2. Background Information

2.1 In 1987 Runnymede established its own salaries and conditions of service together with a strategic aim 'to achieve upper bracket limits that are in the upper quartile of salaries paid by employers of comparable size and in comparable market segments in the West London Counties'. In order to facilitate the transfer of staff to the new local conditions, the Council gave the assurance that 'the annual adjustment of salary grades will, subject to individual satisfactory performance, be no less than the level of NJC and JNC awards'. This is incorporated in individual contracts of employment.

2.2 During 1996 a Members' Working Group reviewed the Runnymede employment package and, inter alia, recommended reaffirmation of the commitment to the strategic aim originally set in the 1987 Salary Policy.

2.3 Following a period of relative stability staff turnover is returning to a high level. The quality and quantity of applicants has increased but with high housing costs the catchment area is restricted generally to those living within commuting distance of the Borough.

### 3. Report

3.1 The Surrey Districts' twice yearly comparison of a basket of mid range posts shows that Runnymede salaries are currently in the upper quartile.

3.2 The South East Employers Pay and Benefits Survey (March 2002) shows Runnymede as being in the upper quartile for most posts surveyed.

3.3 The National Management Salary Survey 2002 places Runnymede salary scales for Management posts in the upper quartile. However, slippage has been identified in some areas and a further report will be submitted for Members consideration.

3.4 The National Local Government final pay offer for 2002 is 3%. This offer has been rejected by the Trade Unions and a ballot for industrial action is to be held shortly.

3.5 Surrey Local Authorities on local conditions have so far agreed awards for 2002 between 3% and 6.3%. Taking into account current settlements in Surrey Authorities and those agreed over the previous two years, a 3% settlement this year would result in Runnymede's comparative position in Surrey being maintained.

3.6 Median settlements in the whole economy in the period up to February 2002 range between 2.5% and 3.2% (source Local Government Employers Organisation).

3.7 The increase in the Retail Price Index for March 2002 is 1.3% compared to March 2001.

3.8 As reported in the Annual Personnel Report, there are concerns about recent adjustments to pay scales for senior posts in Surrey County Council. It is too early to judge the effect on District Councils but the situation will be kept under review and a further report brought back to Members if necessary.

3.9 An adjustment of at least the level of the National award is required in order to comply with the Authority's policy and contractual requirement to pay no less than the National award. Taking into account the various indices and survey data, there is no justification for a local award to exceed the current National offer of 3% for 2002.

3.10 The local branch of UNISON has been shown this report and has no comment to make.

### 4. Legal Implications

4.1 The Council in its Local Pay Policy (and in individual contracts of employment) states that 'the annual adjustment of salary grades will, subject to individual satisfactory performance,

be no less than the level of NJC and JNC awards'. The local award of 3% meets this requirement.

5. Resource Implications

- 5.1 Provision has been made in the 2002/2003 Budget for a 3% pay award in July at a cost of £232,000 including employer's costs (£25,300 Housing Revenue Account, £306,700 General Fund). The cost of a 3% award would therefore be accommodated within existing budgets.

**OFFICERS' RECOMMENDATION that -**

- i) with effect from 1 July 2002, subject to the performance related criteria being met, individual salaries for staff on the local contract be adjusted by 3%;**
- ii) if the National award is settled at a higher level, the local award be adjusted accordingly and necessary supplementary budgetary provision authorised and reported to Members; and**
- iii) a further report be submitted for Members consideration on management salary scales.**

**(TO RESOLVE)**

Background Papers

South East Employers' Pay and Benefits Survey  
National Management Salary Survey  
South East Employers' Pay and Trends Bulletin  
Local Government Employment Digest  
Surrey Districts Salary Survey

21. WILLS AND LEGACIES (CEO)

1. Purpose of Report

- 1.1 **The purpose of this report is to seek Members' endorsement to a proposed policy to safeguard the Council and its staff in the matter of wills and legacies.**

2. Background Information

- 2.1 Section 117 of the 1972 Local Government Act includes the provision that "an Officer of a Local Authority shall not, under colour of his office or employment, accept any fee or reward whatsoever other than his proper remuneration".
- 2.2 The Council's Code of Conduct for staff emphasises the need for staff to exercise extreme care in the area of gifts and hospitality and that with the exception of small items such as pens and diaries the general rule is to decline such gifts.
- 2.3 A recent enquiry to the South East Employers organisation has highlighted an area of concern which at present is not covered explicitly in any staff Code of Conduct or Guidance Notes. The area concerns Wills and Legacies.

3. Report

- 3.1 Clearly, there is potential for members of the public to leave legacies to Council staff. Such legacies, for example, could be as a mark of appreciation of services rendered during the deceased's lifetime. Likely (but not exclusive) areas where this could occur in District Councils include Sheltered Housing and Day Centres.
- 3.2 The following draft Policy is offered for consideration.

Members of the public, particularly those in receipt of services for older people, might, from time to time, name a member of staff as a beneficiary in their Will as a mark of appreciation for services provided during their lifetime. If staff become

aware of such an intention, the individual should be firmly but courteously informed that staff are not permitted to receive such gifts. If the member of staff only becomes aware of the legacy following the death of the member of the public then the Executor of the deceased's Estate must be informed firmly but courteously that staff are not permitted to accept such gifts. A legacy from a member of the public shall not be accepted by staff when their relationship has arisen or developed through contact only in an official capacity as a member of staff of this Council.

In a community such as the Borough of Runnymede, where many staff live within the Borough, it is possible that staff might have a pre-existing relationship with a member of the public prior to taking up a post with the Council. Where a member of staff is named as a beneficiary in the Will of a member of the public whom they have served but the staff member can show there was a pre-existing relationship between them and the member of the public prior to their appointment to the Council's service the legacy may be retained by the member of staff. However, it would be advisable for staff in these situations to declare to the Chief Executive Officer the fact that they are a named beneficiary in the Will of a member of the public whom they are serving/have served as soon as possible.

Unless a pre-existing relationship has existed, staff are advised not to accept an appointment of Executor or Administrator in respect of a member of the public whom they are serving/have served. Individuals requesting such assistance should be directed to the Citizens Advice Bureau or Age Concern for advice.

4. UNISON Consultation

- 4.1 The local branch of UNISON has been consulted on this matter and their comments have been incorporated.

**OFFICERS' RECOMMENDATION that -**

**the above policy on the matter of wills and legacies be introduced and promulgated to staff.**

**(TO RESOLVE)**

Background Papers

Personnel Policies and Procedures Handbook

22. GIS BEST VALUE CONTINUOUS IMPROVEMENT PLAN - PROGRESS REPORT (BTSO)  
(Ref: Minutes of Corporate Management Committee September 2001, page 269, para 217)

1. Purpose of Report

- 1.1 **The purpose of this report is to review progress on the implementation of the GIS Continuous Improvement Plan.**

2. Background Information

- 2.2 The GIS Continuous Improvement Plan was approved by the Corporate Management Committee on 6 September 2001.
- 2.3 Five targets to be implemented at Officer level were identified as intentions to improve.

3. Report

- 3.1 The following indicates progress on each target area as at 30 April 2002 :-

1. Target: Establish a formal Service Level Agreement with Land Charges.
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Completion Date: 30 April 2002
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## Comment

- 3.2 The establishment of a Service Level Agreement (SLA) with Land Charges provides a set of indicators against which to measure the GIS Section's performance for their current main internal customer. It establishes the level of service to be maintained for Land Charges as the work of the GIS Section diversifies.
- 3.3 The draft SLA document has been prepared in consultation with Land Charges and it is proposed to complete this by 30 June. It is recommended that the target date be amended to 30 June 2002.

2. Target: Carry out a detailed survey of existing and potential users to establish where GIS can achieve service benefits.

Completion Date: 31 December 2001

## Comment

- 3.4 A rolling survey of existing and potential users is being undertaken to ensure that the best use is made of GIS as a corporate resource. The detailed survey provides a basis on which to devise the programme described at Target 4. The first stage of the survey work was completed by 31 December 2001.
- 3.5 A summary of meetings held with different departments and a list of requests for geographical information is attached as Appendix 'P'.
- 3.6 While the future development of a corporate GIS depends on forthcoming decisions about the upgrading of the Land Charges system there is a keen demand for immediate use of GIS applications within the Council. The potential to meet this demand by the use of ESRI's data explorer is being examined and a trial of the software is being undertaken in the Policy and Implementation and Safer Runnymede Sections of the Technical Services Department.
- 3.7 The next step in establishing the potential service benefits is the evaluation of different options for making the GIS data available throughout the Council. The issue of setting up a corporate Local Land and Property Gazetteer which is to be undertaken by the GIS Section is closely linked with this initiative. The target date for the next stage of work is to establish new work areas derived from the survey work by 30 September 2002.

3. Target: Gain ISO 9000 accreditation for data capture.

Completion Date: June 2003

- 3.8 This target was suggested at the challenge workshop. Since the Council is currently switching from BSI to Lloyds Registry for accreditation, progress on this target has been delayed although preliminary meetings have been held to establish the steps required in the process.

4. Target: Prepare a programme for maximising the service benefits of GIS on a corporate basis including assessment of benefits against costs. This programme to be compatible with the Council's ICT strategy and IEG programme.

Completion Date: First programme April 2002, to be reviewed annually.

- 3.9 The emerging programme establishes the work areas for the Section over the coming months and years and is based upon the results of Target 2 above and by other corporate strategies, particularly the ICT strategy, the programme for the introduction of electronic delivery of Council services by 2005 and the adoption of a corporate address gazetteer and the introduction of electronic document management.

- 3.10 Preparation and implementation of the programme is intended to guide the Section to secure funding from other service areas as the reliance on land charges income is reduced.
- 3.11 This is a rapidly developing area of technology and the need to balance service benefits against expenditure on technological developments requires careful evaluation. The corporate provision of GIS services could be achieved by various routes with different degrees of integration with existing systems.
- 3.12 A proposed programme for the coming year to April 2003 is attached at Appendix 'Q'. It is expected that a decision on replacing ESRI's ArcLLC Land Charges System will be made in the coming months. The report considering this change and the accompanying upgrade to ArcGIS appears elsewhere on this agenda. The outcome of this decision will be fundamental to the development of GIS as a corporate E-Government asset enabling all departments to share datasets of joint importance.

<p>5. Target: Prepare a user guide to enable improved access to existing data held on GIS.</p>
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<p>Completion Date: October 2001</p>
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Comment

- 3.13 A guide covering the retrieval of planning data has been prepared and is available in the GIS office.
- 3.14 It has recently been agreed with Land Charges that a programme to attach details to the currently 'unstructured' datasets can be undertaken at a moderate pace. This will ensure that information relating to planning registrations captured prior to October 1998 will be available more readily than at present. (The details of the 'unstructured' data are currently held in schedules and the text held therein is not available for viewing or searching through outside the ArcLLC system.)
- 3.15 Appendix 'P' shows that three users other than the GIS section have licences for ERSI's ArcView software. It is considered that the GIS Section can provide written guidance and advice on the use of ArcView for these users within the Council.
- 3.16 When the upgraded system of ArcGIS is adopted it will be possible to distribute mapping over the intranet but users wanting to add and manipulate their own data may wish to acquire ArcView licences.

**OFFICERS' RECOMMENDATION that -**

- i) progress on meeting the targets in the Continuous Improvement Plan be noted; and**
- ii) the implementation date for Target 1 be changed to 30 June 2002.**

**(TO RESOLVE)**

Background Papers

None Stated

23. APPOINTMENTS SUB COMMITTEE – MINUTES

The Minutes of the meetings of the Appointments Sub-Committee held on 10 April and 9 May 2002 are attached at Appendices 'R' and 'S' respectively.

**OFFICERS' RECOMMENDATION that -**

**the minutes of the meetings of the Appointments Sub-Committee held on 10 April and 9 May 2002, attached at Appendices 'R' and 'S' be received and adopted.**

**(TO RESOLVE)**

None

24. EXCLUSION OF PRESS AND PUBLIC

**OFFICERS' RECOMMENDATION that -**

**"the press and public be excluded from the meeting during discussion of the following reports under section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in the below mentioned paragraphs of Part I of Schedule 12A of the Act".**

**(TO RESOLVE)**

**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

<b>a) <u>Exempt Information</u></b>	<b><u>paras</u></b>
25. LIFE ASSURANCE SCHEME	12
26. INSURANCE RENEWALS	9
27. NON DOMESTIC RATES - HARDSHIP RELIEF	7
<b>b) <u>Confidential Information</u></b>	
<b>(No reports to be considered under this heading)</b>	