

FINANCE AND INFORMATION TECHNOLOGY RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 1 February 2011

Chair:

Councillor Eileen Logan

Councillors Present:

David Baillie, Walter Brogan, Gordon Clark, Pam Clearie, Russell Clearie, Peter Craig, Lynn Filshie, Jim Handibode, Bobby Lawson, Lesley McDonald, Mary McNeill, Anne Maggs, James Malloy (Depute), Archie Manson, Danny Meikle, Henry Mitchell, Alan Scott, Graham Simpson, George Sutherland

Councillors' Apologies:

Graeme Campbell, Graeme Horne, Edward McAvoy, Jean McKeown

Attending:**Chief Executive's Service**

A Strang, Chief Executive

Corporate Resources

D Lang, Personnel Officer; P MacRae, Administration Officer; A Norris, Administration Assistant

Finance and Information Technology Resources

K Brown, Head of Information Technology; P Manning, Head of Finance

1 Declaration of Interests

No interests were declared

2 Minutes of Previous Meeting

The minutes of the meeting of the Finance and Information Technology Resources Committee held on 9 November 2010 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Revenue Budget Monitoring 2010/2011 - Finance and Information Technology Resources

A report dated 11 January 2010 by the Chief Executive was submitted comparing actual expenditure at 23 December 2010 against budgeted expenditure for 2010/2011 under the following headings:-

- ◆ Finance Services
- ◆ Information Technology Services
- ◆ Procurement Services

The Committee decided: that the underspend on Finance and Information Technology Resources' revenue budget of £0.174 million (1.6%), as detailed in Appendix A to the Chief Executive's report, and the forecast to 31 March 2011 of a breakeven position be noted.

[Reference: Minutes of 9 November 2010 (Paragraph 3)]

4 Capital Budget Monitoring 2010/2011 - Finance and Information Technology Resources

A report dated 11 January 2011 by the Chief Executive was submitted advising on progress of the capital programme 2010/2011 and summarising the expenditure position at 23 December 2010 for the following budget headings:-

- ◆ Finance Services
- ◆ Information Technology Services

The Committee decided: that the report be noted.

[Reference: Minutes of 9 November 2010 (Paragraph 4)]

5 Workforce Monitoring - October and November 2010 - Finance and Information Technology Resources

A joint report dated 6 January 2011 by the Chief Executive and the Executive Director (Corporate Resources) was submitted on the following employee information for Finance and Information Technology Resources for October and November 2010:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievance and Dignity at Work cases
- ◆ analysis of leavers
- ◆ Joint Staffing Watch as at 11 September 2010

The Committee decided: that the report be noted.

[Reference: Minutes of 9 November 2010 (Paragraph 5)]

6 National Diagnostic – Information Technology (IT) Services

A joint report dated 20 December 2010 by the Chief Executive and the Executive Director (Corporate Resources) was submitted on the National Diagnostic Project for IT Services.

In April 2008, work had commenced on a diagnostic to maximise the use of IT. In September 2009, a material change was required to the terms of reference for the IT diagnostic. The revised objective, based on the management diagnostic and the emerging financial pressures, was to broaden the review to examine existing models and structures and deliver required efficiency savings over 5 years.

Details were given on:-

- ◆ the national and IT diagnostic
- ◆ the efficiency agenda and financial strategy
- ◆ model, structure and staffing levels
- ◆ benchmarking data
- ◆ the IT diagnostic process
- ◆ service needs/demand and capacity

The required level of savings within IT Services for the period 2010/2011 to 2011/2012 was £0.959 million.

Development activities were mainly undertaken by the Business Systems Section within IT Services. It was proposed that 8 posts in total be deleted from the IT Services' establishment. 6 of those posts would come from the Business Systems Section. The remaining balance of the staff savings for 2011/2012 (2 posts) would come from Support Services. This would result in staff savings of £348,000. The balance of the required efficiencies would be met from a combination of income and non-staff savings totalling £611,000. The proposed efficiency savings of posts would significantly reduce IT Services' development capacity.

In light of the current levels of organisational change and the likely requirement to identify further efficiencies beyond 2011/2012, it was proposed that a further review of IT Services be undertaken in 2012/2013 for implementation in 2013/2014.

A number of significant strategic and operational risks were associated with the revised model. A formal risk register would require to be established. A risk assessment had been undertaken in respect of the structure proposals and formed the basis of the formal risk register.

The Committee decided:

- (1) that the proposed reduction in IT Services' staffing of 8 (FTE) posts over the period 2010/2011 to 2011/2012, with the associated budget reduction of £348,000, be approved;
- (2) that the balance of the required efficiencies for the 2011/2012 year be met from a combination of income and non-staff savings totalling £611,000;
- (3) that the associated constraints/risks be noted;
- (4) that IT Services continue to explore opportunities to drive further efficiency savings across the Council; and
- (5) that it be noted that a further review of IT Services would be undertaken in 2012/2013 for implementation in 2013/2014.

[Reference: Minutes of Performance and Review Scrutiny Forum of 26 October 2010 (Paragraph 7)]

7 Teachers Move to Four Weekly Pay - Implementation Plan

A joint report dated 22 December 2010 by the Chief Executive and the Executive Director (Corporate Resources) was submitted on the implementation plan to change the pay frequency for teachers from a monthly to a 4-weekly pay frequency.

From 4 February 2011, Council employees and members who were previously paid on a 2 weekly basis would move to a 4-weekly pay cycle. Phase 2 of the project, involving the implementation of a 4-weekly pay frequency for teachers, was proposed for April 2011.

The last monthly pay for permanent teachers would be made on 24 March 2011. This would pay teachers for work up to 31 March 2011.

For operational reasons, it was proposed that supply teachers move to a 4-weekly pay cycle in August 2011, following the school holidays.

To assist permanent teachers in managing the transition, they would be offered an advance of pay of £500 per full time teacher which would be repayable over a year. If requested, this advance would be paid at the same time as the first 4-weekly pay. Part-time teachers would be offered a pro rata amount.

Details were given on the communication and assistance programme which would be available to teachers prior to the implementation dates.

The Committee decided:

- (1) that notice be given to permanent teachers (including probationers) of a move to a 4-weekly pay frequency from April 2011, and that supply teachers be given notice of a move to a 4-weekly pay frequency from 2 August 2011;
- (2) that, to assist in the transition to a 4-weekly pay cycle, permanent teachers be offered an advance which would be repayable over a period of a year; and
- (3) that the plan for a full communication and advice programme be noted.

[Reference: Minutes of 9 November 2010 (Paragraph 10)]

8 Appointment of Treasury Management Consultant

A report dated 22 December 2010 by the Chief Executive was submitted on the outcome of the tender exercise for a Treasury Management Consultant.

The contract would commence on 1 April 2011 for a period of 1 year, with an option to extend the contract for a further year. Following a full evaluation of the bids submitted, it was proposed that the Treasury Management Consultancy contract be awarded to Arlingclose Limited in the sum of £22,500 for a 1 year period.

The Committee decided: that Arlingclose Limited be awarded the Treasury Management Consultancy contract, in the sum of £22,500, to commence on 1 April 2011 for a period of 1 year with an option to extend for a further year.

[Reference: Minutes of 3 March 2009 (Paragraph 7)]

9 Revenues Collection as at 30 November 2010 and Approval for Write-Off

A joint report dated 23 December 2010 by the Chief Executive and the Executive Director (Housing and Technical Resources) was submitted on:-

- ◆ collection performance at 30 November 2010 on revenues income which comprised Council Tax, non-domestic rates and sundry debts

- ◆ the write-off of irrecoverable non-domestic rates, Council Tax, sundry debts and former council house tenant and lockup rent arrears

Details were given on:-

- ◆ current collection performance
- ◆ collection of arrears

It was proposed that the following debts be written off:-

- ◆ non-domestic rates for the years 2008/2009, 2009/2010 and 2010/2011 totalling £617,498.19 relating to debtors who were in liquidation, had ceased trading or had been sequestrated
- ◆ irrecoverable Council Tax accounts from 1993/1994 to 2010/2011 to the value of £164,900.64 relating primarily to sequestrations and estates of the deceased
- ◆ sundry debts to a value of £31,109.57. The debts related to liquidations, sequestrations and estates of the deceased
- ◆ former tenant council house and lockup rent arrears from 2004/2005 to 2010/2011 totalling £61,042.81

The Committee decided:

(1) that the achievements in revenue collection performance be noted; and

(2) that the write-off of the following irrecoverable debts be approved:-

- ◆ non-domestic rates for the years 2008/2009, 2009/2010 and 2010/2011 totalling £617,498.19
- ◆ Council Tax debt from 1993/1994 to 2010/2011 to the value of £164,900.64
- ◆ sundry debts to a value of £31,109.57
- ◆ former tenant council house and lockup rent arrears from 2004/2005 to 2010/2011 totalling £61,042.81

[Reference: Minutes of 9 November 2010 (Paragraph 9)]

10 Extension of Contracts for the Supply and Support of Server Equipment and Desktop Equipment

A report dated 21 December 2010 by the Chief Executive was submitted on the extension of contracts for the supply and support of server and desktop computer equipment.

At its meeting on 1 June 2010, the Committee noted that the option to extend the contracts with Computacenter (UK) Limited for the supply and support of the Council's desktop and server computer equipment for a period of 3 years, effective from 30 June 2011, had been exercised.

A small team of IT Managers had been formed to negotiate the contract extensions and to deliver efficiencies through alternative service delivery options and/or reduced service levels.

Details were given on the following 3 proposed service delivery options:-

- ◆ Option 1 – replacement of a dedicated onsite team with a hardware vendor warranty with the addition of a hardware swap service to support designated VIP users and a remote software installation service

- ◆ Option 2 – incorporated the proposed changes to the desktop service levels in Option 1 and additionally included proposed changes to the delivery mechanisms for server support and the introduction of a new toolset to enable remote monitoring and management of the server hardware and operating systems
- ◆ Option 3 – similar to Option 2 but did not require the introduction of the new monitoring and management toolset, as it continued to use the Council's existing toolset

Option 3 was the preferred option, resulting in a saving to the Council of £439,000. However, the costs associated with the transition to the new arrangements required to be offset against projected savings.

The Committee decided:

- (1) that the contract with Computacenter (UK) Limited for the supply and support of the Council's desktop computer equipment be extended for 3 years until 30 June 2014 on the basis of reduced service levels to achieve cost savings; and
- (2) that the contract with Computacenter (UK) Limited for the supply and support of the Council's server computer equipment be extended for 3 years until 30 June 2014 on the basis of remote support for some elements of the service to achieve cost savings.

[Reference: Minutes of 1 June 2010 (Paragraph 9)]

11 Extension to Contract - Managed Information Technology Security Services

A report dated 20 December 2010 by the Chief Executive was submitted on the contract for the supply of a range of IT security services.

At its meeting on 6 May 2008, the Committee awarded a 3 year contract to Sopra Group for the provision of managed IT security services, with the option to extend the contract for a further 2 years.

As part of the negotiation of the contract extension, a review of contracted services had taken place during 2010. This had involved staff from the Council, the Scottish Improvement Service and the Sopra Group.

Following this review, a number of proposed improvements to the services provided had been identified. Details were given on the following 3 proposed improvements:-

- ◆ improved change management and communication process
- ◆ improved awareness raising of emerging strategic security technologies
- ◆ review of key systems to determine ways to reduce costs

Sopra Group had commenced a programme of works to address the proposed improvements. Work was ongoing to develop the services provided to the Council and to the Scottish Improvement Service under the contract.

The Committee decided: that it be noted that the contract for the provision of managed IT security services held by Sopra Group had been extended for a period of 2 years, commencing on 1 July 2011.

[Reference: Minutes of 6 May 2008 (Paragraph 10)]

12 Engineering Inspection and Insurance Contract Tender Exercise 2011/2012

A report dated 11 January 2011 by the Chief Executive was submitted on the outcome of the tender exercise for the engineering inspection and insurance contract.

In terms of Standing Order No 19.2 of the Council's Standing Orders on Contracts, the Chief Executive, in consultation with the Chair and an ex officio member had awarded the engineering inspection and insurance contract to Zurich Municipal. The contract would commence on 1 April 2011 for a period of 5 years, with an option to extend the contract for a further 2 years.

The Committee decided: that the action taken, in terms of Standing Order No 19.2 of the Council's Standing Orders on Contracts, by the Chief Executive, in consultation with the Chair and an ex officio member, to award the engineering inspection and insurance contract to Zurich Municipal for a period of 5 years commencing on 1 April 2011, with an option to extend the contract for a further 2 years, be noted.

[Reference: Minutes of 4 April 2006 (Paragraph 13)]

13 Award of Extension to Contract for the Supply and Maintenance of Small/Medium Telephone Systems

A report dated 20 December 2010 by the Chief Executive was submitted on the extension of a contract for the supply and maintenance of small/medium telephone systems.

In terms of Standing Order No 14.3(b) of the Council's Standing Orders on Contracts, the Chief Executive had awarded an extension to the contract with Scotphone Limited for the supply and maintenance of small/medium telephone systems. The contract extension had commenced on 1 February 2011 for a period of 12 months.

The Committee decided: that the action taken, in terms of Standing Order No 14.3(b) of the Council's Standing Orders on Contracts, by the Chief Executive to award an extension to the contract with Scotphone Limited for the supply and maintenance of small/medium telephone systems, commencing on 1 February 2011 for a period of 12 months, be noted.

[Reference: Minutes of 6 May 2008 (Paragraph 10)]

14 Additional Customers for the Data Centre

A report dated 17 December 2010 by the Chief Executive was submitted on the acquisition of 2 new customers for the Caird Data Centre, Hamilton.

Following discussions with North Lanarkshire Council and the Criminal Injuries Compensation Agency (CICA) respectively, both those organisations had entered into agreements to use the Council's Data Centre for disaster recovery. The agreements for use had been concluded with Legal Services. The use of the Caird Data Centre by North Lanarkshire Council and CICA would generate additional income to the Council of £115,500 and £23,000 per annum respectively.

The Committee decided: that the report be noted.

[Reference: Minutes of 31 August 2010 (Paragraph 7)]

15 Urgent Business

There were no items of urgent business.