

Department of Corporate and Community Services

Deputy Chief Executive: Caroline Innes BSc (Hons)

Council Headquarters, Eastwood Park, Giffnock, East Renfrewshire, G46 6UG

Phone: 0141 577 3000 Fax: 0141 577 3834

website: www.eastrenfrewshire.gov.uk

Date: 23 October 2020

When calling please ask for: Paul O'Neil (Tel. No 0141-577-3011)

e-mail: paul.o'neil@eastrenfrewshire.gov.uk

TO: Councillors T Buchanan (Chair); C Bamforth; D Devlin; A Lafferty; C Merrick; and P O'Kane.

CABINET

A meeting of the Cabinet will be held on **Thursday, 5 November 2020 at 10.00am.**

The agenda of business is as shown below.

Please note this is a virtual meeting.

Caroline Innes

C INNES
DEPUTY CHIEF EXECUTIVE

AGENDA

1. **Report apologies for absence.**
2. **Declarations of Interest.**
3. **Arrangements for the collection of Council Tax and Council Tax/Water Charge Write-Off – Report by Deputy Chief Executive (copy attached, pages 3 - 6).**
4. **Development of Systems Interface for Housing Services: Exemption from Tendering – Report by Deputy Chief Executive (copy attached, pages 7 - 10)**
5. **Server Hardware Procurement: Exemption from Tendering – Report by Deputy Chief Executive (copy attached, pages 11 -14).**

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EAST RENFREWSHIRE COUNCIL

CABINET

5 November 2020

Report by Deputy Chief Executive

ARRANGEMENTS FOR THE COLLECTION OF COUNCIL TAX AND COUNCIL TAX
/WATER CHARGE WRITE-OFF

PURPOSE OF REPORT

1. The purpose of this report is to advise Cabinet of new arrangements for Council Tax collection and to seek approval to write-off as irrecoverable historical sums associated with Council Tax and Water Charges.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- (a) Notes that a new software system will be implemented for the billing and collection of Council tax and for administering Housing benefits and Council tax reduction;
 - (b) Approves the write off of Council tax arrears totalling up to £949,077.59;
 - (c) Notes that the write-off of these sums will have no net impact on the Council's accounts or financial planning as provision has been made for the debt, in full, in previous years and these debts are now over 20 years old;
 - (d) Notes that Water and Sewerage charges totalling up to £193,410.38 are also being written off in discussion with Scottish Water;
 - (e) Notes that a data cleansing exercise on historical data is underway; and
 - (f) Approves the write on of historical credit balances without prejudice to future refunds.

BACKGROUND

3. Council Tax was introduced on 1st April 1993 as the mechanism for local authorities to bill and collect local taxes for domestic properties. The billing exercise carried out for the current financial year (2020-21) represented the 28th consecutive year of Council tax billing.

4. Legislation governing Council tax recovery provides for the summary warrant process to be the route followed by local authorities and once granted, enforcement action can be taken for a period of up to 20 years. Debts for the first 7 years of Council tax (1993/94 to 1999/2000 inclusive) are no longer able to be pursued via the summary warrant route (or any other legal route). The debts are deemed to be prescribed*, and it

is therefore recommended these are written off. (**prescribed debt is debt that has been legally extinguished due to the time lapsed.*)

5. The Council's debt recovery policy lists situations where write-off of debts will be considered when all viable means of collection are exhausted. As per standard accountancy practice, when it is clear that all viable means of collection are exhausted, the debt is written off and a release from the bad debt provision is used to offset this expense. There is no net impact on the overall revenue accounts of the Council as "bad debt provision" has already been provided for the debt not being repaid. The Council sets the level of "bad debt provision" at a prudent level to minimise risk to the Council.

6. The Council bills and collects water and sewerage charges on behalf of Scottish Water. Sums collected/written-off in this regard do not affect Council revenue.

COUNCIL TAX AND BENEFITS SOFTWARE SYSTEM CHANGE

7. The Council has used the 'Orbis' product for billing and collection of Council Tax and for the administering of Housing benefits and Council Tax benefits / reductions since April 1998, and is in the process of replacing this system with a modern, fit for purpose solution which will provide residents with a much improved digital experience.

8. As part of implementing the new system, data cleansing activity is underway. The current system contains all data relating back to April 1993 and the service do not wish to transfer 28 years' worth of data to the new system:- 1. It is clear the historic debts (prior to 2000/01) cannot be pursued and 2. It is not permitted in terms of data protection regulations to retain data which is deemed unnecessary.

9. Debts accrued for the years 1993-94 to 1995-96 were transferred to East Renfrewshire Council at its inception, having previously been the responsibility of the disbanded Strathclyde Regional Council. Charges (and any subsequent debt) for the years 1996-97 & 1997-98 were raised on the ex-Strathclyde Regional Council system and a data migration exercise from that system to the Orbis system took place in advance of the 1998/99 financial year.

10. Current data cleansing activity has identified that as well as historical debt there are also some historical credit balances which we are seeking approval to write on without prejudice to future refunds should new information become available.

COUNCIL TAX & WATER CHARGES

11. Examination of historical records shows the following in relation to Council tax

Year	Debt Balances for Council tax	Credit balances for Council tax	Net debt proposed for write off
1993-94	£89,391.63	(£399.96)	£88,991.67
1994-95	£84,647.17	(£701.95)	£83,945.22
1995-96	£98,766.69	(£806.27)	£97,960.42
1996-97	£143,772.55	(£1,153.86)	£142,618.70
1997-98	£188,305.30	(£755.42)	£187,549.88
1998-99	£174,937	(£1,429.75)	£173,507.25
1999-00	£174,919.58	(£415.12)	£174,504.46
Total	£954,739.91	(£5,662.32)	£949,077.59

12. Examination of historical records shows the following in relation to water and sewerage charges

Year	Debt Balances for water charges	Credit balances for water charges	Net debt proposed for write off
1993-94	£15,774.99	(£70.58)	£15,704.41
1994-95	£14,937.74	(£123.87)	£14,813.86
1995-96	£17,429.42	(£142.28)	£17,287.13
1996-97	£23,794.53	(£190.96)	£23,603.56
1997-98	£35,601.12	(£142.82)	£35,458.30
1998-99	£40,768.30	(£333.20)	£40,435.10
1999-00	£46,217.69	(£109.68)	£46,108.01
Total	£194,523.78	(£1,113.78)	£193,410.38

13. Water and Sewerage charges are collected on behalf of Scottish Water but the Council retains none of the income.

14. In the period since 1st April 1996 over £900 million of Council Tax charges have been collected. The sum to be written-off represents 0.1% of the sums collected and can be met from existing bad debt provision.

FINANCE AND EFFICIENCY

15. The impact of these proposed write-offs is fully provided for within bad debt provision within the Council (i.e. excluding Scottish Water charges) and does not affect the Council's forward financial planning

16. Every effort is made to recover these sums and the decision to seek write-off is not taken lightly or without due cause. As the debt is for years more than 20 years old, there is no longer any legal route available to pursue these sums.

17. Should any new information become available with regards to the historical credits, steps can be taken to reverse the 'write on' and provide the customer with a refund.

CONSULTATION AND PARTNERSHIP WORKING

18. Scottish Water have been involved in detail of the water/sewerage charge write-off proposals.

IMPLICATIONS OF THE REPORT

19. There are no implications in relation to IT, legal, property, equality or sustainability.

CONCLUSION

20. It is good practice to remove historical, irrecoverable Debt from Council systems and ideally, this should be done in advance of moving onto a new software system.

There is accountancy provision for such write-offs and as such they do not affect the Council's overall finances or financial planning.

RECOMMENDATIONS

21. It is recommended that the Cabinet:
- (a) Notes that a new software system will be implemented for the billing and collection of Council tax and for administering Housing benefits and Council tax reduction;
 - (b) Approves the write off of Council tax arrears totalling up to £949,077.59;
 - (c) Notes that the write-off of these sums will have no net impact on the Council's accounts or financial planning as provision has been made for the debt, in full, in previous years and these debts are now over 20 years old;
 - (d) Notes that Water and Sewerage charges totalling up to £193,410.38 are also being written off in discussion with Scottish Water;
 - (e) Notes that a data cleansing exercise on historical data is underway; and
 - (f) Approves the write on of historical credit balances without prejudice to future refunds.

REPORT AUTHORS: Alison Ballingall, Senior Revenues Manager, 0141 577 3203 & Fiona Caldwell, Operations Manager, Revenues, 0141 577 3286

Further information is available from Louise Pringle, Head of Communities, Revenues & Change louise.pringle@eastrenfrewshire.gov.uk 0141 577 3136.

BACKGROUND PAPERS

Debt management for Council Tax, Non Domestic rates, Sundry debt income and Housing benefit Overpayments, Cabinet 6th February 2020

Debt Management for Council Tax, Sundry Debt income and Housing Benefit Overpayments, Cabinet 14 March 2019

Collection of Revenues – Debt Recovery Policy, Cabinet 16 June 2016

Evidence is also provided by the Council Tax system.

EAST RENFREWSHIRE COUNCILCABINET5 November 2020Report by Deputy Chief ExecutiveDEVELOPMENT OF SYSTEMS INTERFACE FOR HOUSING SERVICES**PURPOSE OF REPORT**

1. The purpose of this report is to seek exemption from tendering in accordance with Contract Standing Order 15 (iii) in relation to interface development work required to the Councils job costing system Servitor which is a proprietary system owned by Civica UK Ltd allowing information to pass to the Councils new core housing management system NPS Housing owned by Northgate.

RECOMMENDATIONS

2. It is recommended that, in accordance with Contract Standing Order 15 (iii) the Cabinet approve an exemption from tendering to allow interface development work to Servitor in order for information on repair works, work variances, appointments etc. to pass to the Councils new system NPS Housing. Approval of this exemption will ensure the in-house systems support the delivery of a modern and digital service. Total contract expenditure for the full period of this exemption will be £170,000 covering a six year term.

BACKGROUND

3. Servitor owned by Civica UK Ltd was inherited by the Council in 1997 shortly after reorganisation and operates as a job costing system used to price and monitor repair works including labour and material costs. NPS Housing owned by Northgate is the Councils new housing management system awarded in 2019 replacing the legacy system OHMS (Open Housing Management System) which is currently being phased out. NPS Housing is an improved system that will support all key service areas such as allocations, homelessness, estate management and repair requests.

REPORT

4. In order to deliver a modern and digital service it is imperative that an interface is developed to Servitor to allow information to pass to NPS Housing allowing system updates in both directions which will provide enhanced performance management reporting such as information on appointments and repair status which in turn supports the aspiration of Housing Services to have officers accessing systems 'in the field' or from remote working locations. Furthermore, the progression of the interface provides opportunity to create efficiencies in our current processes and working practices.

5. To support the recommendation being made in this report a detailed options appraisal was undertaken by Housing Services with each of the following options scored against functionality, implementation and cost. The options considered were:

- Option 1 –Interface provided by Northgate – this option allows for a two-way simultaneous interface between NPS Housing and Servitor, providing additional interface functionality to what exists currently;
- Option 2 - XML file transfer – this interface approach aligns closer to the current interface in place between OHMS and Servitor (i.e. Option 4). This permits an interface. The only difference with this option is a slightly newer way of data transfer between the systems;
- Option 3 - Procurement of a third party 'middleware' solution to undertake the interface work between NPS Housing and Servitor;
- Option 4 - Flat-file transfer i.e. replication of current interface arrangements. This option would simply provide for a replacement of the current interface that exists between OHMS and Servitor with no enhanced functionality
- Option 5 – The Council's ICT explore utilising existing SQL Server Integration Services (SSIS) technology as a solution to adjoin NPS Housing and Servitor

6. The options appraisal proved that Option 1 – Northgate interface not only delivers the greatest benefits by allowing officers to access real-time and up-to-date information to tenants, staff and contractors but also by assessing costs is deemed to offer best value for money to the service and the Council.

7. The options appraisal is not attached as an appendix to this report, however, was undertaken in order to satisfy appraisal requirements and due diligence in respect of audit and Best Value. The detail of the appraisal can be made available at any time.

FINANCE AND EFFICIENCY

8. The total cost of the exemption required is £170,000, comprising an initial capital outlay of £80,000 and £15,000 annual support charge for a six-year term.

9. The costs highlighted in this reports are costs associated solely with the development of the required interface. No additional costs will be incurred with Northgate.

10. Cabinet are asked to note that the capital costs associated with this development work will be met by Housing Service's HRA capital funding. Thereafter ongoing revenue costs are to be provided by Housing Services and managed at part of ICT's contract management arrangements.

CONSULTATION

11. Legal Services and Procurement were consulted on the use of Contract Standing Order 15 (iii) and confirmed the exemption request is justified and legally competent.

PARTNERSHIP WORKING

12. This project is governed by the Housing Redesign Project Board, which includes representatives from ICT, Housing, Procurement and Northgate.

IMPLICATIONS OF THE PROPOSALS

13. There are no staffing, property, legal, State Aid, equalities or sustainability implications of this proposal.

14. There are ICT implications which ICT colleagues are aware of.

CONCLUSIONS

15. The interface development work to Servitor has been identified as part of an exciting programme of change within Housing Services that aims to improve and increase our digital capabilities with our tenants to enhance the customer journey for those accessing our services.

RECOMMENDATIONS

16. It is recommended that, in accordance with Contract Standing Order 15 (iii) Proprietary Services the Cabinet approve an exemption from tendering procedures to allow interface development work required to the Councils job costing system Servitor ensuring information can be passed to the Councils new core housing management system NPS Housing.

Head of Digital and Community Safety Corporate & Community Services

Further information can be obtained from Murray Husband Head of Digital and Community Safety Corporate & Community Services 0141 577 3452

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107

October 2020

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EAST RENFREWSHIRE COUNCILCABINET5 November 2020Report by Deputy Chief ExecutiveHEWLETT PACKARD ENTERPRISE – SERVER HARDWARE PROCUREMENT**PURPOSE OF REPORT**

1. The purpose of this report is to seek exemption from tendering in accordance with Contract Standing Order 15 (iii) in relation to the procurement of Hewlett Packard (HP) server hardware directly from HEWLETT PACKARD ENTERPRISE (HPE). The hardware will be in the region of £150k, subject to final quotation, and will be funded from existing 2020 / 2021 approved capital funding.

RECOMMENDATIONS

2. It is recommended that, in accordance with Contract Standing Order 15 (iii) the Cabinet approve an exemption from tendering to allow the procurement of HP server hardware to ensure a smooth transition from existing aging hardware which is nearing the end of its useful life and support contracts.

BACKGROUND

3. East Renfrewshire Council uses HP servers across all areas of technology to deliver critical ICT services to the Council, Education and ER Culture and Leisure Trust such as:-

- File and folder access for employees
- All ERC hosted line of business applications such as Carefirst, OHMS Housing, Servitor, Information @ Work etc.
- Email
- Intranet
- Print services
- Database services

4. Hardware lifecycle management is a key activity undertaken by ICT. This activity ensures technology is managed, maintained and supported through its working life. To ensure best value and fully leverage the investment in the technology, a standardised approach is required on the vendors and models of hardware procured.

5. HPE provide a number of proprietary tools for managing servers, viewing alarms, raising and tracking support contracts/tickets and updating software on their servers. The standardised approach to this ensures the minimum number of staff are required to maintain the servers utilising a single set of tools.

6. Any change of vendor to this core technology area incurs significant time and cost impacts with regards training, management tools and implementation, and best practice dictates no frequent change in this regard.

7. HP server hardware was previously available to the Council via Crown Commercial Service Framework RM3733 Lot Number 1. The term of the framework has now lapsed. Procuring this critical hardware from HPE via an alternative framework, is not currently an option.

8. Replacement of existing HP servers with new hardware is essential to support the phased replacement programme of the technology lifecycle to ensure as smooth a transition as possible. This is reinforced with ICT staff having the skills and knowledge of HP hardware to support the programme.

REPORT

9. The total cost of replacement hardware will be approximately £150k .Exact figures cannot be obtained from HEWLETT PACKARD ENTERPRISE until a procurement exercise is undertaken.

FINANCE & EFFICENCY

10. It is confirmed that provision for this expenditure will be met from existing budgets.

11. This proposal will generate additional demands on ICT and other staff resources. However it is confirmed that this can be managed within current resources.

CONSULTATION

12. The Council's approach has been validated by HEWLETT PACKARD ENTERPRISE, supported by ICT's internal technology specialists and a 3rd party hardware consultant.

CONCLUSION

13. In order to maintain the integrity, availability and security of ICT services to the Council, ICT must commence a hardware replacement programme. This ensures that the Council can offer re-assurance to our users and customers that every effort is being made to deliver a robust range of services.

RECOMMENDATIONS

14. It is recommended that, in accordance with Contract Standing Order 15 (iii) the Cabinet approve an exemption from tendering to allow the procurement of HP server hardware to ensure a smooth transition from existing aging hardware which is nearing the end of its useful life and support contracts.

REPORT AUTHOR

Caroline Innes, Deputy Chief Executive

Report author: Murray Husband, Head of Digital and Community Safety.

Cabinet contact: Councillor T Buchanan, Leader, tel: 0141 577 3107/2143 (Office)

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