

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	N/A	
Relevant Group Head review	Yes	07/09/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Yes	07/09/26
This item is on the Forward Plan for the relevant committee	Yes	
	Reviewed by	
Finance comments (circulate to Finance)	AB	10/09/26
Risk comments (circulate to Lee O'Neil)	LO	08/09/26
Legal comments (circulate to Legal team)	JC	07/09/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L. Heron	10/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	07/09/26
Commissioner engagement		
	L. Seary	No issues 10/09/26
Confirm final report cleared by MAT		

Corporate Policy and Resources Committee

12 October 2026

Title	Proposed ICT Server Procurement
Purpose of the report	To make a decision
Report Author	<i>Alistair Corkish, ICT Manager</i>
Ward(s) Affected	All wards
Exempt	Report – No Appendix 1 - Yes
Exemption Reason	Appendix 1 contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority.
Corporate Priority	Resilience
Recommendations	Committee is asked to: • Authorise the Council's ICT Manager to commence a procurement process for the purchase of new ICT servers for a maximum total contract value of £150,000; • Authorise the Group Head of Commissioning and Transformation to select the preferred supplier of new ICT servers and award a contract not exceeding the available budget; and • Authorise the Group Head of Corporate Governance to enter into the contract and necessary legal documentation to purchase the new servers
Reason for Recommendation	Our existing servers are past end of life. East/West Surrey have no plans to provide a centralised server infrastructure for the next 3 to 5 years, so we need to replace our estate.

1. Executive summary of the report

What is the situation	Why we want to do something
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• The intended life of our primary servers is 5 years • Our servers will be 6 years old in March 2027 • West/East Surrey have no plans to offer a centralised server infrastructure for the next 3 to 5 years • There is £176K provision remaining in our Capital Programme budget for 2026/27	• If there had been a planned centralised solution forthcoming from West Surrey in the next year or two, we could have considered extending support on the existing servers. As this is not going to be available, we need to obtain replacement servers.
This is what we want to do about it	These are the next steps
• Procure new servers • Sell existing servers	• Commence a procurement process to purchase new hardware

2. Key issues

- 2.1 The Council's applications run on a virtualised server estate using VMWare. The Council have 4 physical servers in our VMWare environment which run approximately 120 virtual servers. The physical servers are made up of 3 x Dell PowerEdge R6525 servers and 1 x Dell PowerEdge R7515 server.

These are connected to a Dell Powerstore for our storage with a capacity of over 70TB

- 2.2 The 3 x R6525 servers were purchased in March 2021. The R7515 server was purchased in March 2022. Servers are purchased with 5 years of support. The 3 x R6525 are already on extended support, which cost £1,200 per server for the first year, but would rise to over £1,900 per server for year 2 and would be expected to continue to rise significantly year on year as the servers age.

The Powerstore was purchased in Jan 2022 and will move to extended support in 2027.

- 2.3 It has been flagged in the ICT Service Plans from 2023/24 onwards that the servers would need replacing in 2026/27 and it has been raised with MAT members throughout this year that this would be an imminent requirement, but the Council deferred any action on it because we were awaiting some steer from the LGR theme before proceeding.

- 2.4 The question as to what to do about replacing end of life infrastructure hardware was raised with the LGR Technology and Data stream from its inception. They had been unable to provide an answer until last week. Whilst they weren't willing to be prescriptive, they were much clearer on what they thought each sovereign authority should be doing. They said they do not foresee any firm decisions about the future landscape for the East/West Surrey server infrastructure for the next 3 years and, even then, it could take a couple of years thereafter to implement. So, they advised that each sovereign authority should look to manage their own estate as if LGR wasn't happening for the next 3 – 5 years. Therefore, the Council cannot keep obtaining extended support on the servers for the next 3-5 years (and taking

the servers up to potentially 11 years old). Replacing them now would give the Council the maximum benefit from the new equipment before moving to whatever solution is proposed by East/West Surrey.

The Council can continue to use the existing Powerstore with extended support. The support will cost £14K per year from 2027 which can be found from existing revenue budget now that the VDI has been decommissioned and no longer needs licensing and support.

- 2.5 Due to the massive global investment in AI, the prices for memory have risen by between 500% and a 1000% since the Council last purchased servers. The 4 servers that require replacing cost a total of £40K in 2021/22. Early indicative prices for servers with similar specification show that the replacement costs would be substantially more due to the amount of RAM in them. However, the Council would be able to offset some of the cost by reselling the components from the old servers. Even though the servers themselves are end of life, the RAM in them still has a good value. The Council would hope to attain as much as £50K from the sale of the components from 6 of our servers. (The 4 mentioned above and 2 recently decommissioned servers that had been used for VDI). Officers have based this estimate on the retail prices of the refurbished servers with the same specifications which are £12K + VAT each. The Council would be selling to the retailers and would therefore expect less – hence the estimate of £50K for the 6. This resale would bring the overall cost to around £95K – which is well within the available £176K budget.

3. Options appraisal and proposal

- 3.1 **Option 1 Preferred option** Now that the Council has an indicative timeframe from the LGR Technology and Data group, the preferred option is to replace Spelthorne's existing host servers. This will give Spelthorne maximum reward by getting the benefit of new servers for the next 5 years, until we move to a centralised West Surrey infrastructure.

We currently have 4 servers with 1TB of RAM each. Given the price of RAM, we are looking to move to 4 new servers with 768GB of RAM each. Despite this drop, the new servers would have improved performance due to faster CPUs and more efficient RAM.

- 3.2 **Option 2** The Council could opt to go for extended support on the existing server estate but, if the LGR Technology and Data group are correct in their estimated timeframes, we will have to replace the servers at some point before moving across to a new infrastructure under East/West Surrey (or moving to a cloud solution). However, in the meantime the Council would continue to operate on aging servers which would deteriorate over time and face increasing support costs.
- 3.3 **Option 3** One alternative option is to migrate to Azure (Microsoft Cloud). Initial pricing for replicating our current estate in Azure is £249K. This is an annual cost. The Council would anticipate being able to get some government discounts if the Council went down this route, but it is not expected that the discounts would be sufficient enough to make it an economically viable solution.

- 3.4 **Option 4** A final solution is to look at a “cloud” provider – such as OVHCloud or Rackspace. This is essentially rental of a provider’s equipment in their datacentre. We have used their online pricing calculators to get indicative costs, and it is coming in at £162K per annum revenue charge. Again, the Council would expect to be able to get discounts, but not to the level where it would be affordable.
- 3.5 Options 3 and 4 above are for the servers and storage. As referenced in 2.2 and 2.4, the Council do not intend to replace our Powerstore storage. The Council are solely intending to extend support on this because we expect this to be able to operate until we move to a East/West Surrey alternative. However, even if the Council were to replace the Powerstore (at a cost of approx. £200K), options 3 and 4 would still remain significantly too expensive over a 5 year period.

4. Risk implications

- 4.1 The key risks of replacing the host servers in our VMWare estate are summarised below.

Assurance	Risk	Implications	Key mitigations / controls
Low	West Surrey brings forward plans to migrate	The Council would be unable to get the maximum benefit from the new hardware as it would become redundant sooner than its 5 year life expectancy	• Continue communication with the LGR Technology stream until the day of purchase to ensure there are no changes to their plans
High	The Council continues with extended support and opts not to replace the servers	The Council would run the risk of repeated failures and outages, as well as reduced performance, due to running the estate on outdated hardware. This risk would increase as the servers age.	• Choosing Option 1 above would eliminate this risk
High	VM Downtime during Live Migration (vMotion)	Network constraints or CPU incompatibility (e.g., mixing different generations) can cause vMotion to fail, dropping active workloads.	• Implement Enhanced vMotion Compatibility (EVC) modes. • Perform migrations during low-traffic windows. • Test a non-critical VM first.
Critical	Storage Connectivity Loss (SAN/NAS)	Misconfigured zoning, incorrect iSCSI paths, or driver mismatches on the new hosts can isolate VMs from their virtual disks and cause data corruption.	• Pre-stage and verify storage paths before moving VMs. • Ensure multipathing (NMP) is active. • Take full, tested backups of all VMs prior to cutover.
High	Network Configuration Discrepancies	Incorrect VLAN tagging or vSwitch naming differences on the new hosts will break VM network connectivity post-migration.	• Use VMware Distributed Switches (vDS) to maintain consistent network profiles across old and new hosts. • Standardize port group naming.

Medium	Hardware/Software Version Mismatches	The new server hardware or components (NICs, HBAs) may not be certified on the current vSphere/ESXi version, causing host crashes (PSOD).	• Strictly validate all hardware against the VMware Compatibility Guide (HCL). • Update firmware to vendor-recommended baselines.
Medium	License Compliance Violations	New hosts might have higher CPU core counts or different socket layouts that exceed the existing VMware or OS (Windows Server, Oracle) license entitlements.	• Review per-core and per-socket licensing limits before hardware procurement. • Procure upgraded license keys ahead of time.
Medium	Capacity and Resource Constraints	If the existing cluster cannot handle the temporary workload density while a host is taken offline, performance will degrade for remaining VMs.	• Calculate N+1 cluster capacity before starting. • Right-size VMs to reclaim wasted resources before moving them to the new estate.

5. Financial implications

5.1 See Appendix 1

6. Legal comments

- 6.1 The Council has a statutory duty to deliver best value under the Local Government Act 1999.
- 6.2 Any contract with a supplier must comply with the Council's Contract Standing Orders and all other applicable rules and regulations. Legal Services will assist in the preparation, negotiation and the formal completion of the proposed contract.
- 6.3 This committee's areas of responsibility include ICT and Digital Transformation (Part 3b of the Constitution).

Corporate implications

7. Commissioners' comments

7.1 No issues raised by Commissioners

8. S151 Officer comments

8.1 The S151 Officer confirms that all financial implications have been taken into account and that the recommendations are fully funded from within the current year's Capital Programme budget.

9. Monitoring Officer comments

- 9.1 The proposal in this report aligns with the Council's legal powers subject to compliance with the procurement regulations, governance requirements and the fiduciary duty to manage public funds responsibly.

10. Procurement comments

- 10.1 The Procurement Team will be consulted to assist with either accessing an appropriate Framework or with the carrying out of a compliant tender exercise all in accordance with the Procurement Act 2023 and the Council's Contract Standing Orders.
- 10.2 Approved by Procurement Board on 10/09/2026. Reference number: e2026112

11. Equality and Diversity

- 11.1 Equality and diversity implications have been assessed and there are no impacts associated with a server procurement.

12. Sustainability/Climate Change Implications

- 12.1 There are no anticipated environmental benefits from this project. Nor are there any anticipated environmental impacts, as the outgoing servers will be sold off for refurbishment.

13. Other considerations

- 13.1 N/A

14. Local Government Reorganisation Implications

- 14.1 The above project is being put forward as a result of the advice given by the LGR Technology and Data stream, who have advised that the new East and West Surrey authorities are not expected to have any infrastructure available to transfer to for the next 3 to 5 years

15. Timetable for implementation

- 15.1 The aim is to have the servers in place before the end of their extended support in March 2027

16. Contact

- 16.1 Chris Layte (Infrastructure Manager) / Alistair Corkish (ICT Manager)

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices: Appendix1 – Financial Implications