

Report of Chief Officer Parks and Countryside

Report to Deputy Chief Executive (Strategy & Resources)

Date: 16th July 2014

Subject: Design & Cost Report for Parks & Countryside Integrated Asset Management Information System

Capital Scheme Number: 32145 / 000 / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The current system for monitoring, reviewing and managing Parks & Countryside assets is becoming obsolete and needs to be replaced.
2. A procurement exercise has identified a system that would:
 - Allow all Parks & Countryside assets to be recorded on one system
 - Allow access to the system from any location and mobile access
 - Ability to undertake financial forecasting, tracking and reporting
 - Allow integration with Corporate LCC systems – ARC GIS system and FMS

A preferred option has been approved by the ICT Commission Board.

3. Recommendations

The Deputy Chief Executive is requested to:-

- a) Authorise the injection of £378k into the 2014/15 capital programme funded by departmental prudential borrowing.

The Director of Environment and Housing is requested to:-

- b) Approve authority to spend of £378k on the Parks & Countryside integrated asset management information system

1 Purpose of this report

- 1.1 This report outlines the procurement and proposed financing of a replacement information system in Parks and Countryside.
- 1.2 It seeks authority to inject £378k into the capital programme funded via prudential borrowing and ATS of the same amount.

2 Background information

- 2.1 The systems currently used in Parks and Countryside have been in place for over 20 years. They are based upon software platforms versions that are no longer supported by the provider who have confirmed that there is no migration path to the latest iterations or the software simply no longer exists (DataEase). The system is hosted on a server that ICT Services has warned is in danger of imminent failure with little hope of repair or recovery of the data. The server software is also no longer supported and ICT Services is not able to undertake any of the normal support or security arrangements. This situation has been recorded on the corporate risk register with a 'red' risk rating.
- 2.2 The solution is to procure a long term replacement system that will increase integration of activity across the service as well as providing increased efficiency through mobile working, customer self-service and web interface. The key driver for this procurement is the significant risk of system failure presented by the current software and server status. To do nothing is not an option as the systems managed are business critical and in the case of safety inspection records would leave the council unable to defend litigation.
- 2.3 Parks and Countryside has consulted with PPPU/PU and ICT Strategic Sourcing with regard to the procurement of replacement systems, and the ICT Commission Board has approved the business case and the procurement of a replacement system.
- 2.4 A tender process has been undertaken in accordance with the Public Contracts Regulations 2006 to encourage competitive proposals. A winning bidder has been identified who meet the statement of requirements identified (and in some cases provide over and above these requirements). A full technical assessment of the bid has been undertaken, including whole life cost by relevant staff in Corporate ICT Services, and this has been included in the financial projections.
- 2.5 The funding model could not be fully assessed until the bid process had been undertaken, and there was an expectation that an externally hosted solution was the most likely outcome. The business case therefore identified suitable revenue streams to accommodate this option; however the outcome of the procurement exercise has identified an internally hosted solution as the preferred model. Consequently, there are higher year one capital costs than originally anticipated, hence the need for prudential borrowing. The delegated decision to award contract cannot be taken until this report is approved.

- 2.6 Once the integrated asset management system is implemented this will enable Parks and Countryside to improve the service provided to customers as well as keeping a track of asset information in one system. It will seek to secure efficiencies brought about through increased capability, improved access to information for both staff and customers, enable remote/new ways of working and meet the council's aspirations to embed a defensible tree risk management approach.

3 Main issues

3.1 Design Proposals and Full Scheme Description.

- 3.2 The preferred supplier will provide a modern asset management system with a comprehensive range of functionality that will enable the service to manage all aspects of business operations including parks, recreation grounds, natural habitat sites, and public rights of way as well as monitoring and management of the streetscene grounds maintenance contract. The system will also enable safety inspections of playgrounds, water safety, trees as well as manage forestry operations.
- 3.3 The system will be hosted within the council's corporate data centres, and made available to services users via the council's existing data network. It will be integrated with a number of existing corporate systems including the corporate website, Customer Contact Platform (CCP), the Financial Management System (FMS), the corporate mapping system (ArcGIS), and the eWorkplace systems (SharePoint/ Collabware).
- 3.4 The original business case for the procurement of a new solution was developed with the assistance of ICT Services in the 3rd quarter 2012, and was approved based on estimated costs and resource requirements by ICT Services in Feb 2013, and is attached in the appendix. Following the completion of the procurement process (pre Contract Award) the revised costs and resource requirements were reviewed and approved by the ICT Services Commissioning Board in June 2014. Once implemented the supplier will continue to support the system with regular software updates and enhancements, training and consultancy for the contract period.
- 3.5 The costs identified include supplier costs for providing the system software (including installation, configuration, commissioning, project management, data conversion and training). In addition costs associated with ICT Services (including application development and support, infrastructure, setup and configuration) are also included.
- 3.6 The contract award will be made following injection into the relevant capital scheme, and after a delegated decision to formally award the contract has been made to the identified supplier by the Director of Environment and Housing. The normal procurement timetable will be followed and it is anticipated that commissioning will commence in summer 2014, with system operational in 2015.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Parks and Countryside has consulted with PPPU/PU and ICT Strategic Sourcing with regard to the procurement of replacement systems.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 A screening document has been prepared and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the Equality Team to be approved and published.

4.3 Council policies and City Priorities

4.3.1 The project will directly support the delivery of the Parks and Countryside service plan and its wider links to the Best Council Plan and City Priority Plan.

4.4 Resources and value for money

4.4.1 The scheme is expected to cost £378k.

4.4.2 Capital Funding and Cash Flow.

Funding Approval :	Capital Section Reference Number :-						
Previous total Authority to Spend on this scheme	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	378.0		378.0				
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0	0.0		0.0	0.0	0.0	0.0
TOTALS	378.0	0.0	378.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH	FORECAST				
	£000's	2014 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018 on £000's
Departmental USB	378.0	0.0	378.0				
Total Funding	378.0	0.0	378.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 32145 000 000
Title : Grounds Maintenance IT System

4.4.3 The system cost is £378k plus prudential borrowing charges of £70k. The revenue budget set aside in the 2014/15 OE budget is £64k. It is proposed that unsupported borrowing is used to purchase the system and fund it over seven years. The effective payback would be £64k per year for seven years = £448k.

Revenue Effects

4.4.4 The following table illustrates the alterations which will be necessary to the department's revenue budget:

REVENUE EFFECTS	2014/15 £000's	2015/16 and SUBSEQUENT YEARS £000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	-64.0	-384.0
PRUDENTIAL BORROWING	64.0	384.0

4.4.5 £64k was set aside in the 2014/15 OE budget for the new IT system under supplies and services. A virement can be done to move this budget to establish a specific budget to repay the prudential borrowing charges.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This tender opportunity was advertised on the council's procurement website and the Official Journal of the European Union as required by the Public Contracts Regulations 2006.

4.5.2 This decision arises as a consequence of a decision (D40548) made earlier by the Chief Officer, Parks and Countryside to undertake a procurement exercise. The decision to approve the spend will be taken by the Director of Environment and Housing.

4.6 Risk Management

4.6.1 Key services are currently running on environments which are no longer supported. This situation presents a significant risk to business continuity. ICT services are looking at options to undertake data security so as to provide a back-up of the existing data should the vulnerable server fail before a new solution is implemented, however the key issue in providing a solution is ensuring commissioning of the identified system at the earliest opportunity.

4.6.2 The tendering risks have been managed via the usual contracting process by ICT Strategic Sourcing and Commissioning. The implementation phase will be managed using the council's project management methodology. A contract management

plan will be established with the business to provide a framework for managing the contract and any risks on an on-going basis.

5 Conclusions

- 5.1 The current system for monitoring, reviewing and managing Parks & Countryside assets is becoming obsolete and needs to be replaced.

6 Recommendations

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