Leeds
CITY COUNCIL

Originator:Moya McGlynn
Tel: 24 76630

Report of the Report of Director of Environment and Neighbourhoods

Executive Board   12th March 2008

**Subject: Development and Hardware costs for the Housing ICT Project
                     Capital Scheme Number   14293/000/000**

Electoral Wards Affected:	**Specific Implications For:**
	Equality and Diversity ☐
	Community Cohesion ☐
ALL Ward Members consulted (referred to in report)	Narrowing the Gap ☐

Eligible for Call In ☐ ✓   Not Eligible for Call In ☐
                                    (Details contained in the report)

EXECUTIVE SUMMARY

Executive Board are requested to inject £1.15m and authorise scheme expenditure of £1.15m as outlined within this report for the Housing IT Project Phase 2. The funding will be through unsupported borrowing and provision has been made within the Environment & Neighbourhoods Housing Rents Account base budgets; the majority of this cost will fall in 2008/09.

1.0   Purpose of this Report

1.1   This report seeks injection and authorisation to spend the £1.15m from Executive Board necessary to complete this project, £0.2m in 2007/08 and £0.95m in 2008/09.

2.0   Background Information

2.1   The Environment and Neighbourhoods Directorate is supported by many computer systems. This project is seeking to replace some older systems, some are so old that they can no longer be supported or accessed via the current network and also to reduce the number of separate systems. Some older systems were created in pre ALMO days within the Housing Department and require upgrading to meet current requirements including legislative changes.

2.2   The proposed systems will improve Environment and Neighbourhoods Directorate in conjunction with its ALMOs in the delivery of the extensive programme of work to

deliver capital investment action and planned maintenance action across the City. Capital investment action amounts to over £100m a year currently and planned maintenance action amounts to over £15m a year.

2.3   Managing a program of this magnitude requires close working with a wide range of partners and contractors. For example there are 56 contracting partners currently undertaking works on council houses across the 60,000 Council homes in the city.

3.0   Main Issues

3.1   The systems proposed are:
- a comprehensive Asset Management system
- a contract management system
- a linked performance reporting system

4.0   Scheme Description

4.1   **Asset Management system – £250k**

To deliver the second phase of development of a comprehensive Asset Management system. Phase 2 covers the necessary linkages between the contract management system, the servicing and inspection system and the existing arcHouse housing management system. Phase 2 also ensures that all housing assets are included into the system including dwellings, estate shops and garages.

4.1   Contract Management systems - £500k

4.2.1   Two contract management systems are proposed to be implemented, based on the same underlying computer software.

4.2.3   One system will allow for the detailed management of all housing contracts, including all capital contracts and all revenue contracts (planned maintenance). This system replaces the current in-house software that was provided as an interim solution in 2003 when the ALMOs were created.

4.2.4   The second system will allow for the detailed management of all servicing and inspection works on housing assets, including gas servicing, electrical testing and servicing, lift servicing, CCTV and controlled entry servicing.This system is new and will provide for the first time a comprehensive approach to all servicing and inspection works, and compliance with legal responsibilities replacing a number of separate and obsolete software systems.

4.2.5   The two systems will be linked back to the Asset Management system, and will hold data on all works completed and all service and inspection dates.

4.2.6   From a customer Tenant/Resident perspective, with information more easily available to everyone there are less 'investigation chains' required when handling complaints and/or enquiries from Tenants. Tenants/Residents are better informed, 'closer' to the programme in terms of actual start and finish dates to work in their homes. This improved provision of information contributes to increased customer satisfaction and meeting benchmark targets set out within the current performance management framework.

4.2   Performance Management system - £400k.

4.3.1   The Directorate lacks a comprehensive performance management system, relying on a range of separate reporting tools and approaches.

4.3.2   This system will not only allow for performance reporting on the new Asset Management and contract management systems, but will allow for reporting from the existing Housing Management system and provide a single tool for overall performance reporting.

4.3.3   The solution will provide a flexible, user friendly reporting tool which accommodates flexible reporting and clear executive summaries. This will reduce the time taken by the users to obtain accurate and timely information and make better informed business decisions.

5.0   Consultations

Consultations have been carried out with all Leeds Arms Length Management Organisations (ALMOs) and Belle Isle Tenant Management Organisation (BITMO).

6.0   Programme

Expected project completion times are:
            Asset Management phase 2 - April 2008
            Contract Management -   July 2008
            Service and Inspection -   August 2008
            Performance Reporting -   September 2008

7.0   Implications for Council Policy and Governance

7.1   How does this change deliver the Vision for Leeds?

7.1.1   The new system will lead to efficiency improvements, improved financial management and improved performance reporting.

7.1.2   The systems will allow for detailed monitoring of housing actions and condition across the City, including analysis at Neighbourhood level. Improving the detailed analysis of the outcomes of investment actionsin seeking to narrow the gap between communities.

7.2   How does this change meet the Best Value Performance Plan?

7.2.1   These systems will better contribute to our KPI (BV184a+b) and thus contribute to the CPA rating for the authority.

Since these systems are generic rather than bespoke, they will require no customisation for Leeds. This will result in a reduction in the development, support and the maintenance costs.

By ensuring that the systems are integrated and that they are utilised by all of the ALMOs, this will reduce the cost of duplicating work and disparate systems.

These systems will advance greater collaborative working between the ALMOs, Property Management Services, Capital contractors, Strategic Landlord.

7.3 How does this change deliver e-Government ?

7.3.1 The systems are compliant with the Council's approach to e-government and mobile working.

8.0 Council Constitution

This report is not exempt from the Call-In of Key and / or Major Decisions procedure.

9.0 Community Safety

The proposals contained in the report do not have implications under Section 17 of the Crime and Disorder Act 1998.

10.0 Capital Funding and Cashflow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	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 £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
FURN & EQPT (5)	150.0		0.0	150.0			
DESIGN FEES (6)	350.0		100.0	250.0			
OTHER COSTS (7)	650.0		100.0	550.0			
TOTALS	1150.0	0.0	200.0	950.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
Unsupported Borrowing (HRA)	1150.0		200.0	950.0			
Total Funding	1150.0	0.0	200.0	950.0	0.0	0.0	0.0

Revenue Effects

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

REVENUE EFFECTS	2007/08 £000's	2008/09 and SUBSEQUENT YEARS £000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	200.0	
ICT DEVELOPMENT RECHARGE	46.0	1274.0

The interest and repayment costs of the £1.15m HRA unsupported capital expenditure will be recharged to the HRA through the ICT Development central recharge and have been incorporated into the Directorate's HRA budget.

11.0   Risk Assessments

11.1   Anticipated Risk to the business if change is made

11.1.1   Lack of commitment to ALMO resources to implement the system.

11.1.2   The chosen systems may not deliver all of the signed off requirements – this would cause disappointment and fail to realise some benefits.

11.1.3   The ALMOs may have created additional computer systems to compensate for the lack of functionality with existing systems. These may be in the form of access databases, spreadsheets etc; and may be undocumented or poorly communicated as possible requirements for Phase 2.

11.1.4   Information is not disseminated within the ALMOs which may result in a resistance to change.

11.2   Anticipated Risk to the business if change is NOT made

11.2.1   Poor measurement of decency, less accurate Capital spend forecasting.

11.2.2   Inability to increase the capacity and usability of the existing system known as Manifold.

11.2.3   Existing systems are not auditable because there is no audit trail.

11.2.4   No system integration, stand alone systems will continue to exist, multiple unsynchronized data sources, double entry of data, poor management decisions because of inaccurate data and out of date reports.

11.2.5   Previous Audit Commission recommendations for LCC ALMOs will not have been fulfilled.

12.0   Conclusions

If Phase 2 is not implemented, Environment and Neighbourhoods, and its ALMOs, will not realise the following benefits:

12.1   **Increased efficiency and cost savings**: by eliminating double entry inputting, delivered by integrated systems which will improve accuracy and tracking of real time processes, reduce reconciliation across several products/systems by using a single source of data.

12.2   **Increased efficiency and improved resource management**: by implementing mobile working using PDA technology with in built validation.

12.3   **More accurate Decency Reporting and improved Management decisions**: - BVPI 184A and BVPI 184B will be more accurately reported because more accurate data will be recorded e.g. using PDAs and completion by property rather than by scheme and collaborative tool allowing all partners to see the most upto date data and reports.

12.4   **Supplier Support for Changes**: for changes in DCLG guidelines, ability to use business rules in the software to support changes to the business structure and customer demands.

13.0   Recommendations

13.1   Executive Board is requested to :-

13.2   Inject unsupported borrowing of £1.15m into the Environment and Neighbourhoods HRA capital Programme.

13.3   Authorise expenditure of £1.15m on this scheme.