
Report of : Assistant Chief Executive (Planning, Policy and Improvement)

To: Executive Board

Date: January 2008

Subject: Business Transformation in Leeds City Council – Design and Cost Report for Corporate Records Management Facility – Scheme 14201/WES/000

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

As part of the Business Transformation programme, specifically that concerned with the management of the Council's Documents and Records, it has become clear that the inappropriate storage of paper records is a significant business risk which is not only impacting on day-to-day operational delivery but also has the potential to impact on broader, more strategic agendas such as the rationalisation of the Asset Management portfolio and the delivery of new ways of working.

The council currently stores its paper records in unsuitable, disparate locations throughout the city. Much of this information is unclassified and, therefore, cannot be exploited to its full potential. In order to utilise this information for the purposes of both business intelligence and statutory compliance, this report proposes the establishment of a corporate facility where records will be brought together and indexed to allow fast and effective retrieval, and to provide a holistic picture of the Council's knowledge. Current displacement of records through office and school closures brings an urgency to providing a suitable solution for the storage and management of documents and records.

A full options appraisal demonstrated that the option of utilising the Council's Westland Road facility to provide a semi-current records facility, is the option best able to meet long and short term business objectives, whilst delivering value for money. It is intended that all directorates and service areas, including Education Leeds and the ALMO's will make use of the corporate facility. Executive Board is requested to authorise scheme expenditure of £996,040 as outlined within this report for the establishment of a Corporate Records Management facility at Westland Road.

The proposals contained in this report contribute significantly to the delivery of the enabling workstream of the business transformation programme agreed by Executive Board in December 2008.

Purpose of this Report

- 1.1 This report is seeking Executive Board approval to:
- a) release £996,040 of funding from the Business Transformation allocation of the Strategic Development Fund within the Capital Programme;
 - b) authorise expenditure of £996,040 for this project, and;
 - c) note the proposal that the revenue costs for running the facility be funded through re-charging directorates and services, as an alternative to their having to fund bespoke arrangements

2.0 Background Information

- 2.1 Records management practice categorises records into three types:
- a) **Current records** – these are records which are active and are required on a very frequent basis i.e. daily.
 - b) **Semi-current records** – these are records which do not need to be accessed every day but do require frequent retrieval and are still within their retention period; i.e. that period defined by regulatory guidance or statutory legislation and/or best practice.
 - c) **Archive records** – these are records which are no longer needed for business, regulatory or statutory reasons and are kept for the benefit of protecting the corporate memory and/or for historical value.
- 2.2 This report outlines a proposed solution to deal with semi-current records only. Current records will remain closest to where they are needed, whereas archived records will be dealt with in partnership with West Yorkshire Archive Service.
- 2.3 The national policy agenda is driving Local Government to address its approach to service delivery and define its role as a place shaper. In light of this, the need for the Council to address its approach to information and knowledge management is becoming crucial. The main conclusion of our work to date has been that whilst the organisation has recognised the need to integrate its services to facilitate the delivery of improved outcomes, the lack of information integration to support this change is becoming 'mission critical'.
- 2.4 In response to this, the council has embarked on an ambitious Information and Knowledge Management agenda comprising of four work streams: information governance, document and records management, business intelligence and collaboration.
- 2.5 Together, the information governance and document and records management agenda will look at embedding information governance throughout the authority, establishing the rules which will govern and guide the management, use and sharing of information; implementing an appropriate electronic information management system (such as an Electronic Document Records Management System (EDRMS)) and establishing a solution to the council's semi-current record problem. The work undertaken will contribute significantly towards achieving the objectives laid out in the councils' Information Governance Framework, which was the subject of a report to the November 2008 Executive Board and the broader business transformation agenda as agreed by Executive Board in December 2008.
- 2.6 The proposed solution is the development of a records management facility, which will enable the Council to bring together all of its physical, semi-current records to enable indexing, classifying, and better management. This will mean that the council has full awareness of the information it holds, something which it currently does not. It will reduce duplication, release valuable accommodation space and facilitate faster and easier retrieval of information. It will also increase the amount of information sharing that is possible within the authority and will support decision making, regulation, statutory compliance and will protect the corporate memory of Leeds and the City Council.
- 2.7 Without this change, the council will not be able to function to its full potential. Having control and knowledge of the council's information will allow the authority to make well informed decisions and provide the best possible service to its customers.

3.0 Main Issues

- 3.1 **Time spent locating and retrieving offsite records** - Many offices have records stored offsite (e.g. East North East Homes utilise a site in Wetherby). A large percentage of semi-current information cannot be accessed electronically at present, which creates a need for staff to travel to offsite storage sites to manually retrieve records, and then to deliver them back to the storage site. Where information is not appropriately classified, staff have to manually search through boxes to find the information they require, and therefore are having to spend lengthy periods of time searching for and retrieving necessary records.
- 3.2 **Risk of physical damage to records** - There is a need to protect the physical integrity of records currently stored in attics and basements. Damp or humid conditions are particularly hazardous to paper as, obviously is fire. As an example, the basement at Merrion House is full of paper records and the Fire Brigade have previously threatened to close the building because this paper is seen as a significant fire hazard. This scenario is a fundamental business continuity / disaster recovery issue.
- 3.3 **Risk of loss of confidential and sensitive information** - Many of the records which the council holds contain highly sensitive information, such as child protection records and social care case files. Storage in disparate and often unsuitable locations means that there are no consistent security arrangements in place to protect confidential and sensitive information against potential loss and /or unauthorised access.
- 3.4 **Storage issues and / or Building Closures** - The council has an estimated 20 linear kilometres of semi-current and active paper records (equivalent to approximately 2.5 times the height of Mount Everest), an amount which is growing at approximately 0.5km per year. An estimated 43% of these are stored in working offices, and 25% of returns from a recent information audit highlighted storage problems. In addition to general storage issues, all directorates within the Authority are currently seeking solutions to the displacement of hundreds of records due to office / school relocation and closures. There is an urgent need for the facility where building closures are most imminent, for example, the planned closure of Roundhay Road Archive store in 2009.
- 3.5 **Compliance with Regulatory and Statutory Requirements** - Paper records currently occupy a large amount of physical floor space, and it is estimated that less than 30% of record sets (either paper or electronic) have defined retention rules applied to them. Without these rules in place, there is the potential for the Council to be holding paper records that it should have already disposed of, or disposing of paper records that it may be required to keep.
- 3.6 **The Council's Information Assets are not corporately owned and managed** - There is no consistent, corporate approach to the management and storage of the Council's semi-current and active paper records. Information is managed differently within each directorate and so standards on the management of information vary (and such standards may be statutorily defined). Therefore, it is often very difficult for staff to access the information they need, particularly when this is seen as being 'owned' by another area of the council.
- 3.7 **High levels of information duplication and waste** - The difficulties that staff face in accessing the information they need leads to an enormous amount of duplication of paper information. Over 50% of hybrid record collections (paper and electronic) have between 75% and 100% duplication within them. The existence of such levels of duplication compounds difficulties in locating information, makes it almost impossible to guarantee appropriate disposal is taking place, and means that the value for money being obtained from storage in these collections is approximately half what it could be.

4.0 Design Proposals / Scheme Description

- 4.1 Converting the vacant warehouse at Westland Road depot in to a records management facility would allow for the storage of up to 30,000 boxes.
- 4.2 Proposals for this project are divided into two phases. With respect to the capital funding outlined in this report, Phase 1 of the project includes the following:
- a) Adaptation of Westland Road premises to meet required standards and functionality, and;

- b) Procurement of necessary equipment to enable the use of Westland Road as a Records Management facility, including racking, fire detection system, temperature and humidity control systems, and security system.

4.3 Other activities included in phase 1 are as follows:

- a) Establishment of appropriate management and support of the project and the facility;
- b) Establishment of procedures for the transfer/transport of semi-current records, and;
- c) Establishment of policies and procedures for access to records and for the classification, storage and retention of records. These will include the roles and responsibilities within service areas using the facility.

4.4 Phase 2 of the project includes the following:

- a) Integration with the Council's chosen Electronic Document and Records Management System (EDRMS) (subject to agreed procurement). A design and cost report agreed by Executive Board in December 2008 approved the release of funding for the procurement and implementation of an EDRMS, along with other enabling projects;
- b) Establishment of a scan-on-demand service, and;
- c) Training of staff in use of scanning facility.

4.3 In future there will be an option for a third phase, which would see the expansion of the Westland Road site to develop and use an authority-wide electronic mailroom.

4.4 The solution provides potential for integration with other West Yorkshire authorities. The Council plays an active role in the West Yorkshire Information Management Forum and this group has identified storage as a key issue for all authorities to address. Given the Shared Service agenda within local government, establishing a facility which could also meet the needs of other authorities would also be a desirable outcome and income generator.

5.0 Consultations

5.1 The proposal outlined in this report has been consulted on widely across the council. The recommended option from the business case has received support from the councils' Asset Management Group. There is authority-wide support for the development of this facility.

6.0 Programme

6.1 The proposed timetable is as follows:

- | | |
|------------------------|-------------------|
| a) Tender Out date | Mid May 2009 |
| b) Tender In | Mid June 2009 |
| c) Start on –site | Mid August 2009 |
| d) Completion of works | End December 2009 |

6.2 It is anticipated that the proposed alteration works and procurement and installation of equipment at the Westland Road site would be completed, and that therefore the facility would be in a state of readiness to accept records in January 2010.

6.3 It is anticipated that Adult Social Care would be the first directorate to move records in to the facility, as the need is urgent with respect to the closure of the Roundhay Road record store.

6.4 The corporate IKM team has been engaged with the Strategic Design Alliance in recent months, and feasibility costs were received in late November, which are outlined in this report. Once completed, the feasibility study will enable more specific timescales to be developed and it is anticipated that the brief will be frozen in January 2009 after agreement from Executive Board..

7.0 Implications for Council Policy and Governance

7.1 Delivery of this project is necessary to achieve the objective outlined in the Leeds Business Plan that Leeds City Council will "act intelligently, using quality information to get better results". It contributes significantly to the delivery of the enabling workstream of the business transformation programme agreed by Executive Board in December 2008

7.2 Delivery of this project will ensure that office space currently used for document storage can be reduced, without impacting adversely on efficiencies in document retrieval – this is essential for the success of the asset management portfolio rationalisation programme.

7.3 Delivery of this project is a key factor in the success of the Changing the Workplace programme currently being undertaken in Directorates across the Council, which supports the One Council approach, and a reduction in office footprint.

7.4 Relevant corporate standards, policy and procedure will need to be established in order to successfully operate this facility. An Information Governance Framework outlining such requirements was approved by Executive Board in November 2008.

8.0 Legal and Resource (cost / benefit) Implications

8.1 A project Manager has been assigned to this project, and will be establishing a project board which will have overall responsibility for the delivery of this facility.

8.2 Directorates requiring use of the facility will be expected to provide resources to undertake cleansing of the information requiring storage, prior to its admission to the facility. Proposals on the size and nature of this resource are being prepared and will have been consulted on and approved in time for the preferred solution to become operational.

8.3 With respect to the paper based semi-current records held by the Council, completion of this project will enable the authority to meet legal requirements stipulated by the Data Protection Act and the Freedom of Information Act.

8.4 The cost benefit analysis for the enabling workstream of the business transformation programme was reported to Executive Board in December 2008. As reported, the figures included in that report did not include the proposed costs of providing the facility as proposed here and it was agreed that a revised cost / benefit analysis will be included in this report. This has been done and the revised table is set-out below.

8.5 As can be seen from the table, the updated figures show that the net cumulative revenue saving by year 7 (2014/15) is estimated to be £20.2m with an annual recurring saving of £6.6m per annum thereafter.

	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	Total £000s
Capital Investment	£1257	£4292	£1834	£615	£182	-	-	£8180
Revenue Implications:								
Capital Repayment	£32	£220	£546	£680	£721	£732	£732	£3,663
Other Revenue	£26	£689	£1,332	£1,778	£1,937	£2,008	£2,053	£9,927
Cashable Benefit	£0	£0	£3,675	£5,311	£6,690	£8,653	£9,407	£33,736
Net Annual Benefit	-£58	-£909	£1,797	£2,853	£4,032	£5,913	£6,622	
Cumulative Benefit	-£58	-£967	£830	£3,683	£7,715	£13,628	£20,250	

9.0 Scheme Design Estimate

9.1 The outlined estimated costs for structural, electrical and mechanical works, and for the necessary systems and fire / security arrangements were provided by the Strategic Design Alliance. Barnsley Metropolitan Borough Council, who have successfully delivered a similar scheme, also provided information in support of initial cost estimates.

9.2 A business case, including a full options appraisal, was endorsed by Corporate Leadership Team in June 2008.

9.3 Costs include:

a) Building Alterations	£121,000
b) Temp, Fire and Security arrangements	£311,000
c) Preliminaries	£62,025
d) Staffing	£38,000
e) Racking System	£282,135
f) IT and Communications for site	£15,500
g) Estimated SDA Fee	£78,450
h) BC/Planning fees	£4,964
i) Contingency @ 10%	£82,966

TOTAL **£996,040**

10.0 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0						
FURN & EQPT (5)	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				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	432.0		0.0	432.0			
FURN & EQPT (5)	298.0		0.0	298.0			
DESIGN FEES (6)	84.0		59.0	25.0			
OTHER COSTS (7)	100.0		0.0	100.0			
SUB TOTAL	914.0		59.0	855.0			
SUB TOTAL + CONTINGENCY @ 10%	997.0		6.0	77.0			
TOTAL	997.0	0.0	65.0	932.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2008/09 £000's	2009/10 £000's	2010/11 £000's	2011/12 £000's	2012 on £000's
LCC Funding	997.0		65.0	932.0			
Total Funding	997.0		65.0	932.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

11.0 Revenue Effects

11.1 The following table illustrates the alterations which will be necessary to the services revenue budget:

REVENUE EFFECTS	2008/09 £000's	2009/10 £000's	2010/11 and SUBSEQUENT YEARS £000's
EMPLOYEES	0.0	18.0	73.0
PREMISES COSTS	0.0	56.1	79.8
SUPPLIES & SERVICES	0.0	14.3	38.7
EXTERNAL INCOME GENERATED	0.0	0.0	0.0

11.2 Charges for the use of the facility will be made per box managed. Directorates/services that were previously using existing Council properties and facilities for storage and/or paying money to private sector storage providers will be able to receive a higher quality, in house solution, which will be more cost effective. Directorates will therefore contribute revenue towards the facility on the basis of their usage requirements.

12.0 Risk Assessment

- 12.1 The main risk associated with the delivery of this project is delays to design and building work at Westland Road, which could mean that services are forced to find interim solutions for their record storage. The designated project manager will ensure that the project runs to agreed timescales to mitigate this risk as far as possible.
- 12.2 The main risks associated with the operation of this facility as opposed to current ad-hoc arrangements are:
- Due to the fact that all semi-current records will be housed in one place, the potential scale of damage caused by fire or flood is increased. Similarly, the potential scale of damage caused by unauthorised access is greater. However, the enhanced security on site, including key-fob access to doors, secure windows, intruder alarm, and the provision of a 'maximum security' area, and the fire / flood protection arrangements at the new site will mitigate this risk. In addition, as part of the solutions' Business Continuity / Disaster Recovery Plan, a process for identifying all mission critical records will be established. This will enable choices to be made to protect mission critical records. In the main, this will involve their electronic capture and storage.
 - Failure of the ICT Systems (from Phase 2 onwards). In the event of a failure in IT systems so that records could not be returned electronically, the facility will have a courier who would return the physical records to the requesting officer. The facility will have a touchdown room and is approximately 3.6 miles from the city centre, so in the event of a failure in ICT systems and a problem with the courier, staff could visit the facility and view or retrieve records in person.

13.0 Recommendations

- 13.1 Members are recommended to:
- a) approve the release of £996,040 of funding from the Strategic Development Fund within the Capital Programme;
 - b) authorise expenditure of £996,040 for this project, and;
 - c) note the proposal that the revenue costs for running the facility be funded through re-charging directorates and services, as an alternative to their having to fund bespoke arrangements.

Background papers

- Information Governance Framework - Executive Board - 5th November 2008.