

Joint Report of Director of Resources and Director of City Development

Report to Executive Board

Date: 7 September 2011

Subject: Design & Cost Report for Re-location of the UTMC (Urban Traffic Management Control) Service and the Provision of Upgraded and New UTMC Infrastructure

Capital Scheme Number: 16397

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 checked="" type="checkbox"/> Yes	<input 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: 10.4 (3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The Urban Traffic Management Control (UTMC) section are located on the first floor of Merrion House, and control the traffic light system throughout Leeds, thereby keeping the traffic flow moving, and, via agreement, perform the same function within Calderdale.
2. The Changing the Workplace (CTW) Programme requires that staff and the UTMC services currently located in Merrion House will be moved out and relocated to accommodation more suited to the specialist nature of the service and the technical requirements.
3. In addition to this move, the infrastructure supporting the UTMC operation is rapidly becoming out-dated and some of the equipment is indeed no longer maintainable by the supplier. Parts of the communications network are not likely to be supported for much longer and other equipment would also be considered legacy and so the Council

will be forced to re-provide this infrastructure and equipment in the near future, as it is essential for the smooth running of traffic flow in the city.

Recommendations

4. This report seeks an injection to the capital programme of £2,321,000, of which £716,000 is allocated from the CTW Programme and a Calderdale council contribution of £244,200, with the balance of £1,360,800 being the subject of a prudential borrowing business case, and funded by annual savings accruing from the project.
5. This report also seeks the authority to spend the amount of £2,480,000 on the relocation of UTMC and provision of upgraded and new UTMC infrastructure.
6. This report commits the council to £716,000 as described in 4 above, to complete the UTMC relocation, in advance of the formal consideration of the Changing the Workplace business case by Executive Board later this year.

1 Purpose of this report

- 1.1 This report seeks an injection to the capital programme of £2,321,000, of which £716,000 is allocated from the Changing the Workplace Programme (CTW), £244,200 being a Calderdale Council contribution with the balance of £1,360,800 being the subject of a prudential borrowing business case, funded by annual savings accruing from the project.
- 1.2 This report also seeks the authority to spend the amount of £2,480,000 on the relocation of UTMC and provision of upgraded and new UTMC infrastructure.
- 1.3 A 2011/12 capital programme injection of £159,000 was approved at the July Executive Board, as part of the Quarter 1 capital programme report.

2 Background information

- 2.1 The UTMC section control the traffic lights network in both Leeds and Calderdale thereby keeping the traffic flow moving, and the CTW Programme requires that UTMC staff and services currently located in Merrion House be relocated due to the specialist nature of its technical and accommodation requirements. The proposal is for the service to be relocated by January 2013.
- 2.2 In addition to this move, the infrastructure supporting the UTMC operation is rapidly becoming out-dated and some of the equipment is no longer maintainable by the supplier. Parts of the communications network are unlikely to be supported for much longer. Other equipment would also be considered legacy and so the Council will be forced to re-provide this infrastructure and equipment in the near future. Technical circumstances dictate that this upgrade will need to happen prior to or in synchronisation with any move.
- 2.3 The savings made by using digital technology for communications rather than analogue lines will contribute substantially towards the project costs.
- 2.4 A Business Case has been produced that provides revenue savings and avoids future costs by combining all the pending activities into the one Project triggered by the Changing the Workplace Programme.
- 2.5 Currently UTMC is located on the first floor of Merrion House and comprises of three main functional elements:
 - Traffic light control system
 - CCTV monitoring network
 - Remote monitoring system
- 2.6 The UTMC is self-contained and all the computers, terminals and software that are used to operate the centre are located in Merrion and managed by the UTMC staff, including the maintenance and backup of computers.
- 2.7 There are also approximately 350 BT data lines and 130 CCTV circuits that terminate at Merrion House from across the City; the BT data lines carry analogue signals from outstation units (OTUs) for the traffic lights across the City at a revenue cost to the

Council of c. £185,000 per annum and it is by using these savings on an annual basis, that the prudential borrowing business case has been developed for the capital injection of £1,360,800.

- 2.8 The UTMC also provides a service to Calderdale Council. Calderdale traffic lights are controlled and maintained by Leeds UTMC requiring approximately 50 BT lines. This arrangement has been in place since the abolition of West Yorkshire MCC. Discussions have been held with Calderdale Council, who have agreed to fund their share of the costs of the move.
- 2.9 The Quarter 1 capital programme update report, presented to the 27th July Executive Board, injected £159,000 of 2011/12 expenditure in to the programme for this UTMC project, as part of the Changing the Workplace scheme.
- 2.10 The Changing the Workplace business case is scheduled for the Executive Board in December 2011 for approval of the phase 1 city centre plans. It is necessary, however, to submit this report at this stage and utilise the £159,000 in 2011/12 to allow the tender process to be carried out for the move of UTMC to be completed prior to the proposed completion date of January 2013.
- 2.11 By approving this report, and giving authority to spend of £2,480,000 in total, Executive Board are committing capital funding of £716,000 to complete the UTMC relocation in advance of the formal consideration of the Changing the Workplace business case in December 2011.

3 Main issues

- 3.1 A business case has been produced that included an options appraisal to assess the best value for money option to proceed:

No	Title of Option	*Total Costs	*Assessment and Reason for Selection / Rejection
1	Do Nothing	£ Nil	As part of the office accommodation project, UTMC will move out of Merrion House. The lead time for tendering and moving all the UTMC equipment and transmission lines is at least 18 months.
2	Minimal Move	£1.49m (net)	A temporary move for the UTMC infrastructure would be prohibitively expensive, particularly regarding the reinstallation of over two hundred communication lines. Revenue costs would increase slightly as same technology as option 4. There would be a loss of service during the move out and again back to Merrion (at least 4 weeks).
3	Minimal Move to Temporary Accommodation	£1.929 million (net)	A minimum move would replace obsolete equipment but the network would not be IP compliant, revenue costs would increase and the network would not be 'future proofed'.
4	Move and Refresh of UTC System to be IP	£1.757 million (net)	To run on an ADSL network requires an outstation refresh together with new communications equipment. The net cost would amount to £ 1,757,140 and would

No	Title of Option	*Total Costs	*Assessment and Reason for Selection / Rejection
	Enabled and Run on an ADSL BT Network.		attract revenue savings in line rental costs of approximately £21,000.00 p.a.
5	Move and Refresh of UTC System to be IP enabled, and to run on a digital network	£2.236 million (net)	Using digital technology requires an outstation refresh together with new in station equipment, plus installation of a digital network. The net overall project costs would therefore amount to £2,235,800 . This would attract higher revenue savings in excluding all line rental costs amounting to a net £208,900 p.a. in years 1 & 2, reducing to £189,900 in year 3.

*Amounts are LCC (net) only and exclude Calderdale Council contribution

3.2 **Design Proposals and Full Scheme Description.** The recommended option is Option 5; move to run the UTMC operation on a digital network, for the reasons below:

- Highest return on investment
- Avoiding future costs
- Future proofing due to latest technology
- More secure operations as failure of part of the system have better fall-back arrangements
- Moving the setup either due to emergencies or future planning is much easier due to the IP communications

3.3 This option would entail modernising the UTMC systems and networks. Essentially this will include;

- Replacing the outstation communications equipment (IP enable).
- Replacing the existing BT analogue lines with a digital network (IP enabled).
- Replacing the central computer hardware for the UTC system
- The outstations will be upgraded to support the new digital communication network. This upgrade will provide a programmable timetable for the outstations which will control the traffic lights in the event of a communications failure. This will result in the entire network having additional resilience or 'business continuity' facility after the move is completed.
- A digital network. This will be subject to tender but is likely to be substantially wireless technology and owned by the Council, and will replace the majority of the BT communication lines which will reduce the running costs significantly.

- The CCTV systems and networks would remain the same, as would the RMS (Remote Management System) as both of these systems are fit-for-purpose. It is envisaged that ultimately, the CCTV network will be modernised to run over an IP based system. This however is undergoing a strategic review for CCTV across the entire Council estate.

3.4 A further options appraisal was undertaken to assess the proposed location of the new control room. A number of options were considered - both within the city centre and at the existing Highways offices in Middleton. The options appraisal assessed staff, finance, technical, location, service and property issues related to a move to a new location. Of the options looked at, the preferred is to relocate to the Highways offices at Middleton, with access being opened up to the CCTV area to allow for safe out of hours working and close working with LeedsWatch. This also allows for any expansion plans in the future.

3.5 The business plan includes the cost of equipping a new UTMC centre and providing environmental requirements at the new site to include;

- Specialist fittings, cabling, lighting, consoles, etc
- Air-conditioning unit for equipment room.

3.6 **Prior Approvals** – The business plan has been approved by the New Ways of Working Board and was endorsed at the Strategic Investment Board in January 2011. The prudential borrowing case was endorsed at Finance Performance Group in July 2011.

3.7 **Programme – Target dates are as follows:**

13 June 2011	Contract notice issued on OJEC including PQQ
7 September – 26 October 2011	Issue tender documents / tender period (2 tenders – UTMC specific equipment and communications equipment)
28 November 2011	award of contract
2 January 2012	commence on site / surveys
31 January 2013	project complete

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The project team is made up of Finance, ICT, UTMC, Procurement and Property Management. Consultation has been limited to these areas and the UTMC staff, as the main area of the project is the move and upgrade of equipment, which will have minimal impact on the public.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality, Diversity, Cohesion and Integration Impact Assessment has been carried out for this project and is available on the Council's website. This is high level and will be updated once a contractor (s) has been appointed.

4.3 Council policies and City Priorities

4.3.1 The project is recognised as a critical dependency to the Changing the Workplace Programme and as such will support and enable the delivery of the efficiencies delivered by this Programme and the New Ways of Working that will ensue. The project reports to the New Ways of Working board within City Development.

4.3.2 The project supports the **Council's Strategic Plan 2008 to 2011** by:

- "Improving the condition of the streets and the transport infrastructure by carrying out a major programme of maintenance and improvements"
- "Improving the road safety for all our users, especially motor cyclists, pedal cyclists and pedestrians"

4.3.3 The project supports the **Council's Business Plan 2008 to 2011** by:

- "Improving the efficiency of our services including maximising savings delivered through procurement, ICT and asset management"

4.3.4 The project supports the **Council's Values** by:

- "Spending money wisely"
- "Working as a Team for Leeds"

4.3.5 The project supports **West Yorkshire Local Transport Plan 2011 - 2026** by contributing to:

- **Economy** - Improving connectivity to support economic activity and growth in West Yorkshire and the Leeds City Region
- **Aims** - Transport Assets focusing on the existing components of the transport network such as roads, bus stations & stops and traffic lights to ensure we are getting the most value out of them
 - Travel Choices enabling customers to make the most sustainable choices about when and how they travel
 - Connectivity ensuring people can make integrated and safe journeys using transport networks on which they can rely.
 - Enhancements improving the overall network to make it more fit for journeys in the future.

4.3.6 The project supports the Council's **ICT Strategy 2010 -2015** by:

- Overall - Sharing infrastructure and components between Council services
- Services - Find ways (including the better use of ICT) to deliver more for less

- Information - To provide the right information at the right time to the right people using the right technology solution
- Technology - To identify and help implement new ways of working with the use of appropriate technology features in workplace tools, applications and information systems.

4.4 Resources and value for money

4.4.1 Full scheme estimate

Buildings	£50,000
Equipment	£2,168,600
Staff	£166,400
Other	£20,000
Contingency	£75,000
TOTAL	£2,480,000

4.4.2 Capital Funding and Cash Flow.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2011 £000's	FORECAST				
			2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015 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						
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 2011 £000's	FORECAST				
			2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	50.0		32.0	18.0			
FURN & EQPT (5)	2243.6		80.0	2163.6			
DESIGN FEES (6)	166.4		47.0	119.4			
OTHER COSTS (7)	20.0			20.0			
TOTALS	2480.0	0.0	159.0	2321.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2011 £000's	FORECAST				
			2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015 on £000's
Departmental USB	1360.8			1360.8			
Corporate USB	875.0		159.0	716.0			
Calderdale MDC	244.2			244.2			
Total Funding	2480.0	0.0	159.0	2321.0	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 : 16397

Title : UTMC Enhancement and Relocation.

Revenue Effects

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

REVENUE EFFECTS	2011/12	2012/13 and SUBSEQUENT YEARS
	£000's	£000'S
EMPLOYEES		
PREMISES COSTS	-142.7	-184.9
SUPPLIES & SERVICES		
EXTERNAL INCOME GENERATED		

These represent the communication and maintenance savings that will accrue and will be used to fund the Directorate's unsupported borrowing.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Call-in

This decision will be subject to call in.

4.5.2 Access to Information

Appendix 1 of this report is Exempt under Access to Information Rule 10.4 (3) as it contains information relating to the financial or business affairs of any person or company (including the authority holding that information) which may result in prejudicial trading of that company. It is considered it is not in the public interest to release this information as this would compromise the Council's position.

4.6 Risk Management

4.6.1 A risk register has been approved by the New Ways of Working Board.

5 Recommendations

5.1 Members are asked to approve an injection to the capital programme of £2,321,000, of which £716,000 is allocated from the Changing the Workplace Programme, £244,200 is contributed by Calderdale Council with the balance of £1,360,800 being the subject of a prudential borrowing business case, and funded by annual revenue savings accruing from the project.

5.2 Members are asked to approve the authority to spend the amount of £2,480,000 on the relocation of UTMC and provision of upgraded and new UTMC infrastructure.

5.3 Members attention is drawn to the fact that by giving this authority to spend, the Executive Board are committing £716,000 to complete the UTMC relocation, in

advance of the formal consideration of the Changing the Workplace business case later this year.

6 Background documents

6.1 Equality, Diversity, Cohesion & Integration Impact Assessment

6.2 Risk log