

Report to the Cabinet

Report reference: C-022-2014/15
Date of meeting: 8 September 2014



**Epping Forest
District Council**

Portfolio: Environment

Subject: Virement of Budgets from Neighbourhoods to Resources Directorate.

Responsible Officer: Qasim Durrani (01992 564055).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To agree that in order to achieve the full benefits of the new waste and recycling contract, recently awarded to Biffa Municipal Limited, essential IT system integration and other enabling work is necessary and for which the following reallocation of budgets is approved:

(a) £17,000 from existing revenue budgets by means of a virement from the waste service of the Neighbourhood Directorate to ICT service of the Resources Directorate for necessary works and training costs; and

(b) £23,000 from within the existing Capital Programme by means of a virement from the Neighbourhoods Directorate to the Resources Directorate for software and licence purchases.

Executive Summary:

In the recently concluded procurement process for the new waste management contractor the Council required all tenderers to consider enhanced Information Technology (IT) systems with the ability to provide reliable and accurate information to the Council. All tenderers made proposals for new IT systems which mainly consisted of the same output, for example exception reports and other service delivery information being sent and received to and from the Council in real time. However each tenderer proposed a different methodology for integration of their IT systems with those of the Council.

The contract has been awarded to Biffa Municipal Limited and efforts have begun at pace to facilitate mobilisation of the new contract. A key element of the mobilisation process is to install adequate software systems at the Council end to enable smooth communication with the contractors systems. It is also necessary to employ external specialist contractors to carry out the implementation and train Council officers to access the new systems and realise the full benefits of these new systems.

In order to enable the necessary changes in the Council's ICT system it is estimated that an expenditure of £40,000 is required, which could be financed from existing resources (£17,000 revenue and £23,000 capital).

Reasons for Proposed Decision:

To carry out the enhancements to the Council ICT systems to enable real time exchange of information with Biffa.

Other Options for Action:

For reasons of expediency, and to avoid delay in mobilisation of the new waste management contract, the ICT department, with the prior approval of the Chief Financial Officer, instructed and paid for the necessary works from its own routine maintenance budgets. If the money is not transferred from the waste service then this would impact routine ICT maintenance activities which would impact the operations of the Council.

To cancel the order and not carry out the changes and not achieve the integration of systems would result in abortive costs for the works already undertaken. This will mean that an opportunity to achieve significant improvements will be lost.

Report:

1. The current waste management contract with Sita Municipal UK comes to an end on 2 November 2014. The Council commenced the procurement exercise under the Competitive Dialogue procedure in early 2013. The exercise concluded in May 2014 with the Cabinet decision to award a 10 year contract to Biffa Municipal Limited. This decision was followed by the Alcatel Mandatory standstill period, which gave the unsuccessful tenderers the opportunity to raise any objections or challenge the award decision. Once this period was over the formal letter of award of contract was issued to Biffa in July 2014.

2. One of the advantages of the Competitive Dialogue process was that the Council benefited from the expertise and knowledge of the market in designing and scoping the type of services it required. This resulted in a number of enhancements, for example: four day collection service avoiding operations on Bank Holiday Monday; new ICT systems that allow real time information on service levels, like missed bins, as well as the ability to send text messages to residents for appointments; targeting fly tipping hot spots; an Investment Fund, and a commercial waste and recycling service with an element of profit sharing.

3. The Council's officer mobilisation team is fully engaged with Biffa in planning and implementing a smooth transition from Sita to Biffa by 3 November. All necessary arrangements are being made to facilitate this transition. The Biffa mobilisation team have been provided with office accommodation at the Langston Road Depot and regular meetings are taking place between the relevant officers.

4. The task with the longest lead time is the upgrade of the Council ICT system where it has to exchange information with Biffa. This information exchange will happen via the North Gate M3 system which is the Customer Relationship Management (CRM) system operated by the Neighbourhoods Directorate. Through the procurement process Biffa have demonstrated, including sharing examples in other local authorities, that such integration is possible. However, this requires modifications in the CRM system (including upgrading the server on which the application runs to the required specification) and the provision of a standardised interface system to allow connection of the Biffa system to that of the Council. This work requires the purchase of software and licences as well as associated works to enable the implementation and training of staff.

5. It was not possible to assess the cost of these works before the decision on award of contract was confirmed. This is because every tenderer had proposed a unique solution for integration of ICT systems. ICT officers of the Council have assessed the integration

requirements for the Biffa methodology. Following discussions with the Council's service provider, North Gate M3, including assessment of post implementation training and ongoing maintenance, the total cost of making all necessary changes is £30,000. Of this sum, £15,000 could be capitalised as it relates to purchases of licences and software.

6. The upgrade to the back office ICT systems will allow quicker exchange of information between the Council and Biffa. In order for the officers of the Council to access this information while out in the district they will need mobile devices and the necessary software licences for the operating systems. Biffa have provided two licences for Council officers but additional licences will be required for the relevant officers of the Neighbourhood Directorate. It is intended that as many officers as is practicable should have access to the Biffa mobile system. The cost of purchase of additional licences and handheld devices is estimated at £10,000, of which £8,000 can be capitalised

7. In order to comply with the implementation time table and avoid any delays, ICT department, after obtaining approval from the Chief Financial Officer, instructed the service provider to carry out the necessary changes. The payment to the contractor will be made from within the service budgets of the ICT department. It is now necessary to transfer an equivalent amount from waste management budgets to ICT otherwise routine programmed work of the ICT service could suffer a delay, causing Council wide issues.

8. It is envisaged that there will be sufficient underspend within the waste management service to enable transfer of the required £40,000 to ICT section. This will be more than covered by the savings arising from the award of the new contract to Biffa Municipal Limited.

Resource Implications:

Of the total cost of £40,000 it is estimated that there are capital costs of £23,000 relating to the purchase of software and licences and revenue costs of £17,000 relating to essential software integration works in the database and training of Council staff. These costs can be met from existing resources from a combination of a revenue virement of £17,000 from the waste service of the Neighbourhood Directorate to the ICT service of the Resources Directorate and a capital virement of £23,000 from the waste management equipment budget in the Neighbourhoods Directorate to the ICT budget in the Resources Directorate.

The budget for the current financial year is based on the existing waste management contract with Sita. The new contract with Biffa will deliver a yearly saving of £416,680. The new contract commences on 3 November 2014, just over half way through the financial year, so there will be sufficient savings within this financial year to cover the £17,000 revenue costs of the installation of ICT systems.

Legal and Governance Implications:

Relevant legislation includes:

- Environmental Protection Act 1990
- Controlled Waste Regulations 1992
- Local Government & Finance Act 1988
- Household Waste & Recycling Act 2003

Safer, Cleaner and Greener Implications:

The waste management services offered are key front line services that are crucial to the health and wellbeing of the residents of the district and the new contract will offer significant environmental enhancements.

The benefits of the enhanced ICT systems would include the ability to inform residents about service changes, for example updates on booked bulky waste collection; real time reports from waste and recycling collection crews if bins or sacks are not presented for collection; accurate information by linking all reports to the Local Land and Property Gazetteer (LLPG), thereby reducing customer complaints, and the ability to report incidents of fly tips accurately via mobile devices.

Consultation Undertaken:

ICT colleagues and other members of the Officers Working Party for Waste Contract Mobilisation.

Chief Finance Officer for approval of expenditure from within ICT budget allocation.

Background Papers:

None.

Risk Management:

The ICT department took a pragmatic decision and with the approval of the Chief Financial Officer authorised the expenditure against their routine service budget, this has helped manage the implementation programme for the new waste management contract.

If the virement is not authorised then there is a serious risk of delay in implementation of the planned programme of works of the ICT department. This would adversely impact the ICT section's ability to purchase equipment/licenses to meet business need in the current financial year, which would in turn have a major detrimental effect on the ability of service areas to meet customer needs.

Due Regard Record

Name of policy or activity:

What this record is for: By law the Council must, in the course of its service delivery and decision making, think about and see if it can eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. This active consideration is known as, 'paying due regard', and it must be recorded as evidence. We pay due regard by undertaking equality analysis and using what we learn through this analysis in our service delivery and decision making. The purpose of this form is as a log of evidence of due regard.

When do I use this record? Every time you complete equality analysis on a policy or activity this record must be updated. Due regard must be paid, and therefore equality analysis undertaken, at 'formative stages' of policies and activities including proposed changes to or withdrawal of services. This record must be included as an appendix to any report to decision making bodies. Agenda Planning Groups will not accept any report which does not include evidence of due regard being paid via completion of an Equality Analysis Report.

How do I use this record: When you next undertake equality analysis open a Due Regard Record. Use it to record a summary of your analysis, including the reason for the analysis, the evidence considered, what the evidence told you about the protected groups, and the key findings from the analysis. This will be key information from Steps 1-7 of the Equality Analysis process set out in the Toolkit, and your Equality Analysis Report. This Due Regard Record is Step 8 of that process.

| Date / Name | Summary of equality analysis |
|-------------|--|
| | <p>The waste management service provides services to all residents across the District as well as looks after the cleanliness of the streets and adopted highways. The service has to be cognisant of the needs and requirement of all residents, visitors and businesses while providing the range of services. Out of the specific group or characteristics that the Council has a legal duty to have due regard for the following are affected:</p> <ul style="list-style-type: none"> (a) Age (elderly or infirm) (b) Disability (c) Religion or belief (d) Race (various ethnic groups) <p>There are already policies and practices in place for residents in the above categories, for example assisted collections, ability to provide information in different languages or format such as Braille, special collections arrangements</p> |

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| | (when prearranged) to fulfil requirements of religious holidays and ceremonies. No special requirements identified for any other residents who fall within the definition of the protected characteristics. |
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