Name of meeting: Cabinet

Date: 09.08.2022

Title of report: Operational Services Asset Management System - Replacement Project

Purpose of report:

The purpose of the report is to seek Cabinet approval to proceed with the expenditure of up to £1.8m over a 5-year period from the agreed Capital Plan for resourcing, procurement and onboarding of a new asset and data management system, identified as the Operational Services Asset Management System (OSAMS) project within the Capital Plan. There may be a requirement to drawdown some of the capital allocation to meet project resource commitments and to support the procurement and onboarding of one or more suppliers to deliver an updated asset management system. The proposed expenditure will fund replacement of existing outdated end of life IT systems which support asset management, planning and maintenance within the highways, greenspace and waste arenas.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	**Yes (06/07/2022)** The estimated cost is £1.8m 22/23 to 25/26
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	**Key Decision – Yes** Public report and private appendix
The Decision - Is it eligible for call in by Scrutiny?	**Yes**
Date signed off by Strategic Director & name **Is it also signed off by the Service Director for Finance?** **Is it also signed off by the Service Director for Legal Governance and Commissioning?**	**25 May 2022** Colin Parr (Strategic Director - Environment and Climate Change) **1 July 2022** Eamonn Croston (Service Director – Finance) **30 June 2022** Julie Muscroft (Service Director - Legal, Governance and Commissioning)
Cabinet member portfoliohttp://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp	**Cllr Naheed Mather - Cabinet Member for Environment**

	Cllr Will Simpson - Cabinet Member for Culture and Greener Kirklees **Cllr Paul Davies - Cabinet Member for Corporate**

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public, private appendix.

- Appendix A is recommended to be taken in Private because the information contained within it is considered to be exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that it would not be in the public interest to disclose the information contained in Appendix A as it contains commercially sensitive information, and disclosure could potentially adversely affect the parties, including the council, which is considered to outweigh the public interest in disclosing information including, greater accountability, transparency in spending public money and openness in council decision-making.

Has GDPR been considered?

- Yes – no personal data is contained within this report or within appendices

1 Summary

1.1 Highways and Streetscene is made up of Highway Services, Parks and Greenspaces, and Waste, Recycling and Cleansing services. Highways and Streetscene services manage similar activities (reactive maintenance, cyclic activities etc), but services use a wide range of unconnected and outdated systems to manage information. This often leads to inefficient and isolated working practices.

1.2 The ageing digital architecture within the services is impacting service delivery and is a blocker to a transition to a more modern future operating model which supports Council Plan Objectives – in particular Effective and Efficient and Clean and Green (Climate Emergency). Assets managed by Highways and Streetscene services account for the largest value maintained by Kirklees Council (Highway Service assets alone are valued at circa £5Bn (Gross Replacement Cost)). Assets managed by existing systems include roads, structures, verges, play areas and street lighting. Services manage circa 1900km of roads, 2300km of footways and cycleways, 58,000 street lights and illuminated signs, 76,000 gullies, 1500 bridges, structures and retaining walls, 22,000 traffic signs and over 1400 hectares of parks, greenspaces and facilities for young people.

1.3 Modern asset and data management systems are a critical enabler in the development of strategic service delivery. They manage complex asset data, inspection records, plan delivery of works and associated customer requests. They facilitate improved performance management and serve as information management systems (documents, images, drawings, maps). They allow data driven and holistic decision making to take place, supporting value for money decision making. They are fundamental to the delivery of day-to-day operations, interactions with citizens and the delivery of local priorities and the wider Council Vision.

1.4 The Capital allocation identified in the agreed Capital Plan in February 2022 will support funding to rationalise existing asset and request management systems, associated hardware and resource costs to deliver and implement a new system. The procured system will aim to rationalise the diverse systems and platforms in use within Highways and Streetscene (some of which are circa 20yrs old), or where existing IT systems must be retained, link with them to give service staff the opportunity to manage data holistically in a common, responsive and futureproof environment.

1.5 The estimated Capital costs for the project is £1.8m over a 5-year period. This is based on the procurement of a cloud-based system. Capital investment required has been identified based upon known information at this stage and may increase or decrease following market engagement. Subject to cabinet approval for the project, subsequent procurement and delivery of the scheme will be undertaken in accordance with the relevant council financial and contract procedure rules.

2 Information required to take a decision

Background

2.1 As part of developing an approach to replacing current systems, a series of workshops have been held with existing system users and some extensive pre-market engagement has taken place with potential suppliers to ensure the market can sustain the replacement ask. In addition, dialogue has been held with other Local Authorities who use leading asset management system solutions to further inform the project. These sessions have informed cost and timeline projections.

2.2 Via market research officers are aware that much of the functionality supplied by primary and peripheral systems can be provided by asset management systems available within the commercial market. The project will aim to procure a developed “off the shelf” application which has the capabilities to replace identified in scope systems within the council’s greenspace and highways services through an initial phase of procurement, and subsequently waste management systems, either via transition to the new platform, or subsequent procurement. In scope systems are identified in confidential Appendix A; however, these may change following market engagement. It is intended that the system (or systems) procured will have the functionality to manage tasks and activities performed within existing in scope systems. Systems no longer needed will be retired.

2.3 System replacement priority will be risk based. Replacement priorities will focus on systems which will become unsupported (when the developer is no longer issuing any software patches or security updates), systems which do not meet service requirements and are creating inefficiencies for staff and citizens, and systems due to expire existing contract arrangements (but extension of arrangements will not deliver value for money (VfM)). Many of the historic IT contracts for systems within use within highways, greenspace and waste services are on short duration or extended agreements, meaning they have expired their original term arrangement and may not necessarily be offering the best VfM for citizens and stakeholders. Engaging the market will not only ensure the council provide the best VfM for citizens and stakeholders, but it will also ensure the council have modern resilient systems which will help further improve services.

2.4 Within highways and greenspace services, service requests (e.g., citizens enquiries) are currently managed using an inhouse platform called ROSS2. The system currently handles between 40-50,000 requests for service per year. This system is no longer fit for purpose as it is based on old technology which can no longer be supported. It is intended that funding to replace asset and data management systems will also be used to replace and decommission this system, and at the same time, introduce process improvements which will allow automated and more responsive services for citizens, stakeholders and services. Customer facing web forms will be updated and reviewed so they integrate directly with the new asset management platform and are more streamlined and informative for customers. Undertaking this step will ultimately allow ROSS2 to be decommissioned, further improving processes for customers and resilience in support of regulations covered by the Data Protection Act 2018.

2.5 Replacement of ROSS2 supports objectives that have been set within the council's approved Access Strategy 2021-26 and Technology Strategy 2020-25, in particular 'Getting the Basics Right' and 'Class Leading Internet'. ROSS2 does not currently integrate effectively with existing asset and data management platforms or 3rd party applications, meaning officers are often not able to provide accurate and timely responses to customers. Customers may face delays in responses, receive inaccurate updates or may not be updated due to the ability of the service to respond to request volumes. Furthermore, ROSS2 creates a barrier to robustly documenting holistic asset request histories, as service requests may be recorded in multiple systems. Comprehensive asset histories are needed to support the preparation of business cases to secure additional grant funding, defend the council against 3rd party insurance claims, and plan delivery of forward capital spend.

Timescale

2.6 It is expected that the procurement for a new asset and data management solution will be tendered through an open procedure, with contract award estimated for Autumn 2023 The implementation and go live will be phased, with in-scope highways and greenspace system replacement estimated to be completed by the Autumn of 2025 (although this is subject to the implementation timescales provided by the successful supplier) and waste services in Autumn 2026 (again, subject to the implementation timescales provided by the successful supplier). An estimated timeline is offered in section 5 of this report.

Scope and Risk

2.7 A competitive tender exercise will aim to replace multiple existing solutions with a contract for a solution that provides opportunities for operational efficiencies and service delivery improvements. While full rationalisation is considered feasible, this may take time to achieve and possibly require compromise between existing business stakeholders. For this reason, pursuit of rationalisation of solutions to a single solution should be considered a road mapped goal subject to scope, cost and commercial feasibility decisions. A project board is in place to oversee delivery and ensure the approach meets the needs of services and aligns with council objectives.

2.8 Although this is regarded as a sizeable investment, updating systems should be seen as a levelling exercise, as some in-scope systems have been in use for circa 20 years and carry substantial security risks. Whilst updated systems may potentially attract higher annual revenue operating costs, they also facilitate the opportunity for some efficiency measures, along with other associated longer term benefits which support the council's Shared Outcomes (benefits for Shared Outcomes are identified in section 3). Potential increases or decreases in revenue operating costs will only be known once the market has been tested. It is intended that potential increases will be managed within existing budgets.

2.9 If a procurement exercise is not undertaken, the council will have to continue using a number of solutions that do not adequately meet current or future requirements in terms of business needs. Retention of existing systems will expose the council to compliance failings – existing platforms will fail when security and software updates are no longer supported, resulting in an inability to deliver statutory duties.

2.10 Going forward, we will not be able to effectively manage and maintain the Council's assets. This will inevitably be disruptive to a number of key business processes within Highways and Streetscene Services, with likely consequential safety and economic impacts. Current solutions may also not support emerging commitments, such as climate targets, and therefore impact citizen commitments and council objectives.

2.11 Furthermore, failure to update existing systems will impact the ability of the authority to secure and manage funding. The inability to provide accurate asset and performance reporting information is paramount to current and future funding awards. The Secretary of State for Transport recently wrote to the West Yorkshire Combined Authority (WYCA) advising that under the new City Regional Sustainable Transport Settlement (CRSTS), the £830m allocation which consolidates funding from previous allocations of the Highways Maintenance Block, Potholes Fund and Integrated Transport Block, may be reduced if agreed schemes are not delivered, modified, delayed significantly or removed. Many of these schemes will be planned, delivered, and managed within the replacement asset management system. Existing systems do not support holistic and efficient performance reporting needed in view of the increased levels of scrutiny resulting from the CRSTS.

3 Implications for the Council

3.1 Working with People

A robust and efficient asset and data management system will improve the way the council manages its highway network and open spaces by allowing services to better plan, maintain and inspect the infrastructure it oversees. This allows citizens and businesses to go about their day-to-day lives with reduced disruption. In addition, effective and rationalised service request reporting facilitated by a new asset and data management system will support improved service levels when issues do occur.

3.2 Working with Partners

Internal and external partners are reliant on council officers for clear, concise and holistic data on the assets the council manages. As outlined in section 1, existing data is often managed in isolation owing to unconnected systems, meaning the information council services and external partners require is difficult to extract, and may not always provide a comprehensive picture to support strategic planning and decision making. Examples of this are carbon reporting to support work with Kirklees Climate Commission as the council journeys toward net zero, or financial and performance reporting to the Combined Authority, particularly important as the council transitions towards restructured funding as part of the City Region Sustainable Transport Settlement (CRSTS). An updated asset and data management system will improve the reporting and data the council are able to provide.

3.3 Place Based Working

The new asset and data management system will serve operational services who have embraced place based working and presently manage delivery of programmes such as Locality Based Unclassified Roads (LBUR) within exiting technology. The planning and delivery of this programme, and similar programmes, will be greatly improved as a new system will allow improved reporting and recording of asset information in a common environment (customer requests, repair history, inspection history, etc) rather than in multiple unconnected systems. This will give more efficient and improved access to a holistic asset record to inform forward programme planning.

In addition, in scope systems will be replaced with a cloud hosted system which will increase remote working opportunities, as systems can be accessible via the web rather than via

virtual private networks (VPNs). This gives operational teams more access to information out in the field on a wider range of devices, which will facilitate a more place based operating model.

3.4 **Climate Change and Air Quality**

Efforts to address the Climate Emergency in Kirklees and work towards achieving the 'net-zero' carbon emission target for 2038 will be supported by intelligence-led planning and asset management available via a new asset and data management system. Whilst Highways and Streetscene services are supporting the council to work towards existing targets, managing assets and data in a modern environment will help improve the council's ability to meet targets.

Larger scale mitigations such as network management (vehicle emissions, electric vehicle infrastructure planning), energy consumption reporting (street lighting and lit signs LED replacement and maintenance), infrastructure management (maintenance and replacement programmes) and strategic asset adaption (e.g. drainage) are all managed within in-scope systems. Smaller scales measures will also be supported by a new system. Examples include improved works management and route planning as a result of enhanced scheduling capabilities (reducing vehicle emissions), and a reduction in unnecessary journeys to assess duplicate customer service requests (again resulting in vehicle emission reductions).

3.5 **Improving outcomes for children**

The procured system will manage highway and greenspace infrastructure planning and maintenance of a substantial network serving schools, healthcare facilities, public spaces and more. It will also support the planning, delivery and maintenance of the council's expanding active travel network. Access to facilities served by these networks is paramount to improving outcomes for children. In particular, the management and development of green assets, which are served by or form part of this network, is critically important to effectively supporting future generations. Ensuring children and young people have access to safe and maintained greenspaces is not only key to physical wellbeing, but also mental wellbeing.

3.6 **Financial Implications for the people living or working in Kirklees**

It is expected that the procurement and implementation of the new asset and data management system, and associated revisions to service request management, will provide improved Value for Money (VfM) for the people living or working in Kirklees. VfM improvements will be achieved by exposing existing IT system contracts to market competition, and through the identification and implementation of process efficiency improvements within service request management to ensure the most effective use of service resources.

3.7 **Other (eg Legal/Financial or Human Resources)**

Procurement of the new asset and data management system will comply with the council's Contract Financial and Contract Procedure Rules 2022 and the Public Contracts Regulations 2015. The council has a duty to obtain Best Value under the Local Government Act 1999.

4 Consultees and their opinions

4.1 Extensive pre-market engagement has taken place with potential suppliers and Local Authorities who use leading asset management system solutions. Integrated Impact Assessments will support revisions to citizen request management processes and these will be shaped by the council's approved Access Strategy 2021-26 and Technology Strategy 2020-25

5 Next steps and timelines

5.1 Pursuit of rationalisation of solutions to a single solution should be seen as a road mapped goal subject to scope, cost and commercially feasibility decisions. A projected timeline is outlined in table 1

Table 1 – Projected Timeline

Phase 1 – Ends Autumn 2022	**Phase 2 – Ends Autumn 2023**	**Phase 3 – Ends Spring 2025**	**Phase 4 – Ends Autumn 2026**
• Requirements Gathering • Market Engagement • Data cleansing • Process mapping • Procurement	• Data cleansing • Contract award • Process mapping • Implementation planning and onboarding	• Go live Phase 1 • Implementation • Phased onboarding • Training and system decommission • Train the trainer - to deliver future system transition	• Additional Service onboarding • Go live phase 2 • Handover and project close

6 Officer recommendations and reasons

6.1 It is recommended that Cabinet approve the expenditure of up to £1.8m from the agreed Capital Plan over 5 years for the resourcing, procurement and onboarding of a new asset and data management system (identified as the Operational Services Asset Management System (OSAMS) project within the Capital Plan). This includes a requirement to drawdown some of the capital allocation to meet project resource commitments and to support the procurement and onboarding of one or more suppliers to deliver an updated asset management system.

6.2 Reasons - To ensure Highways and Streetscene Services are able to support the delivery of Shared Outcomes, and to safeguard the council from system failures resulting in an inability to deliver statutory duties.

7 Cabinet Portfolio Holder's recommendations

7.1 Councillor Naheed Mather - Portfolio Holder – Environment, supports the recommendation as outlined in item 6 of this paper

7.2 Councillor Will Simpson - Portfolio Holder for Culture and Greener Kirklees - supports the recommendation as outlined in item 6 of this paper

7.3 Councillor Paul Davies - Cabinet Member for Corporate - supports the recommendation as outlined in item 6 of this paper

8 Contact officer

Chris Firth (Programme Manager, Environment & Climate Change)
Email: chris.firth@Kirklees.gov.uk
Tel: 01484 221000

9 Background Papers and History of Decisions

16.02.2022 - Budget Council Meeting, item 2.16.18

10 Service Director responsible

Graham West (Service Director Highways and Streetscene)
Email: graham.west@kirklees.gov.uk
Tel: 01484 221000

11 Supplementary Information

Private appendix A