

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Policy & Strategy Committee

AGENDA ITEM

7

MEETING DATE

14 January 2015

REPORT NUMBER

EFA/004/15

SUBJECT

MIS Replacement Programme

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper seeks approval for increase the authorised project costs for the investment to bring in systems to replace the remaining modules of the Management Information System (MIS) from £1,149k to £1,373k.

RECOMMENDATIONS

Members are asked to agree the increase in the authorised costs of a programme to procure and implement replacement systems for the last four remaining MIS modules from a cost of £1,149k to £1,373k.

BACKGROUND

In March 2014 Members supported a proposal to replace the final modules of the Management Information System (MIS) that was originally developed for the Service in 1987. The replacement of the system was a key recommendation of the ICT Strategy adopted by the Authority in 2009 and proposals to replace the last four modules were agreed. These modules are:

1. Workplace Fire Safety;
2. Community Fire Safety;
3. Water; and
4. Fleet & Equipment.

During 2014 the Service has run three procurement processes for the development of replacement software. The process to procure a system for the fleet workshops was completed successfully. The first process to develop a system for community safety,

technical fire safety and water identified a preferred supplier. Difficulties during the stages necessary to agree a contract led to concerns that the delivery of the system might not happen within the cost and time requirements of the Authority and a decision was made to look again within the market. This led to claims against the Authority from the initial supplier that were settled with a payment of £31k for work carried out on the scoping and user requirements. A second supplier evaluation exercise using the government's Gcloud framework identified a number of potential suppliers. After a mini-competition a preferred supplier was selected. Having completed the procurement phase of the project the total cost is above the authorised project limit. Unless the project's authorised value is increased, the scope of the project will have to be restricted.

The main reasons for the higher costs are the revenue costs of the programme management and the project management of the two main project elements. These temporary roles have been filled with contractors, rather than using internal resources as originally planned.

FINANCIAL AND USE OF RESOURCES IMPLICATIONS

The financial impact of the proposed solutions are summarised in the table below:

MIS Replacement	Original Programme Costs £'000s	Revised Programme Costs £'000s	Change £'000s
Capital	1048	1083	35
Revenue	101	290	189
Total Project Costs	1149	1373	224
Future Years Revenue Cost			
Maintenance	71	76	5
MIS Saving	-160	-160	0
Staff Savings	-96	-96	0
Capital Financing Charge	104	83	-21
Total	-81	-97	-16
Payback (Years)	-6.2	-7.6	1.2

The programme will deliver £97k per annum in revenue savings, after allowing for the capital financing charges and the £260k of government grant award for the project in 2014/15. If these charges are excluded the initial programme costs are recovered in 7.6 years. The proposed new systems will integrate with the Authority's systems, including Finance and Geographic Information System (GIS), the costs of this integration is reflected in the programme costs. The costs include the expected infrastructure necessary for the operation of the systems required in the four areas being replaced.

RISK IMPLICATIONS

The programme costs reflect tendered prices for completion of the work based on detailed proposals for all four areas. The programme is dependent on significant ICT programme management resources and these have been obtained through the use of contractors. Any

loss of this support for the programme could put at risk the overall timescales for completion. The programme is still expected to be completed by the original date of March 2016.

LEGAL IMPLICATIONS

There are no direct legal implications.

EQUALITIES IMPLICATIONS

There are no direct equalities implications from the ICT Strategy or Effectiveness review.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents: ---	
List of background documents (not attached): ---	
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