

CAPITAL PROJECT APPRAISAL FORM
NEW BIDS 2016/17

1) Capital Scheme Name

Replacement Bookings Solution for CDC and SNC

2) Service Head

Ian Davies

3) Service Manager

Sharon Bolton & Natasha Barnes

4) Portfolio Holder

Councillor George Reynolds (CDC) Councillor Cooper (SNC)

5) Driver (select) **Desired** **Statutory** **Essential** **Health & Safety****6) Finances**

Funding required	£100,000
Partners/Match Funding	£
Grant Funding	£
Borrowing Required	£
Total Scheme Cost	£100,000

7) Full-year net revenue impact (see section 13)

£20,000

8) Detailed Outline / description of project

A clear and concise outline of the proposed project and how it is intended to be procured and managed.

Currently, the Councils have a few ad hoc on line booking systems for a small number of services eg MoT bookings. Over four years ago, it was intended that the Lorensburg system would deliver a widely used corporate on line booking function for a range of services. Nineteen services were identified at that time but the Lorensburg system has proved to be limited in its application, costly to extend and the contract is due to end in July 2016. This provides the opportunity for a more robust corporate approach.

Both Councils have agreed to create greater on line access to services, information and advice as a consequence of the increasing number of people using digital and on line means of communication. Likewise, the shared Customer Services team recently established was set up assuming improved on line access to services which would form the basis of its operating system. This has not materialised to date, part of which is an on line booking and payment system for the maximum number of transactional services.

More recently, Leisure Services have increased significantly the number of holiday sports scheme attendances to the extent that the service now runs at a net operating profit. To date and in the absence of an on line booking and payment system, bookings and payments have been handled manually during office hours only. On line bookings for evening and weekend facilities will also increase usage and income at joint use sites. The recently introduced shared service also assumed an on line booking and payment system. The volume of such bookings (over 3,000) is now unsustainable on a manual basis without an increase in staffing resource.

The purpose of this business case is to propose the procurement of a corporate on line booking and payment system to achieve the following;

- To offer customers better 24/7 service access
- To support the delivery of efficiencies in Customer Services by reducing more expensive telephony and face to face customer contact
- To reduce or eliminate back office staff handling processes by having end to end automated processes of booking, payment and customer confirmations of service requests
- As a means of income generation by better take up of paid for Council services

Such a system will need to interface with the website redesign project, be able to accommodate the

Council's wider channel shift requirements and interface with key Council systems eg CRM and payments.

It is proposed that a corporate specification of need be drawn up and then subject to a competitive tender process used to procure a new partner with a system that will deliver across all service areas a tailored online booking solution.

It is hoped that procurement could be undertaken to enable a system acquisition in early 2017 to enable a Leisure Services pilot in March 2017 prior to wider implementation later in 2017.

9) Corporate Priority the proposal will address

Outline how the proposal will address the corporate priorities.

The Councils have agreed to the principles of channel shift to on line transactions and more efficient working. A corporate on line booking system will replace the inadequacies of the current piecemeal provision, will be implemented quicker and at lower cost (subject to the tender process) and meet customer expectations improving satisfaction levels.

This project aligns with the SNC's corporate objectives of **servicing the residents** of the district in providing leisure facilities, **protecting the district** of developing and sustaining local services and **growing the district** which will provide additional income to the council.

This project aligns with CDC's corporate priorities, which are a **Customer focused council**, delivering access to leisure and sports facilities and activities, which makes Cherwell District a group of Thriving **communities**.

This project will also deliver to the councils desire to get customers to channel shift for value for money ways of accessing our services and provide them with better access to book on activities 24 hours a day 7 days a week. It will also free up staff time who are employed to answer phone calls and take bookings leading up to the school holidays as a requirement of the recent shared service structure.

10) Implications of not undertaking the Project

The implications to the Authority/Service of not undertaking the project e.g. failure to meet statutory responsibilities, reduction in service provision etc.

We have reached the end of the road with our current supplier whose system is not sustainable for the future. (Has cost approx. £100k and has not delivered our aspirations due to its inflexibility and lack of co-operation by the supplier).

The councils will not be able to take online & self-service bookings 24/7/365 and will have to carry on with a manual method which cost money and severely hampers our ability to increase revenue from bookings and meet customer expectations.

11) Efficiency Savings/Value for Money

Will the scheme contribute to the Council's requirement to demonstrate that we are improving value for money in the services provided? Please give details of possible revenue savings, income generation and/or associated costs (e.g. maintenance).

- To offer customers better 24/7 service access
- To support the delivery of efficiencies in Customer Services by reducing more expensive telephony and face to face customer contact
- To reduce or eliminate back office staff handling processes by having end to end automated processes of booking, payment and customer confirmations of service requests

As a means of income generation by better take up of paid for Council services

Costs at this stage are uncertain but believed to be between £50,000 and £100,000 with a 10% - 15% ongoing annual support and maintenance cost. Once known through the tender process, the cost will be assessed against the on line Council requirements and a cost benefit analysis undertaken.

It is anticipated that on line booking will generate:

- i) an 25% increase in bookings which when based on the CDC 2015/16 income £58K would equate to £13K annual income betterment.
- ii) an 25% increase in bookings which when based on the SNC 2015/16 income £24K would equate to £6K annual income betterment Fees and charges are reviewed annually and with Lead Member and Portfolio Holder approval usual increase by inflation.
- iii) Annual benchmarking also takes place to ensure that the councils offer excellent, value for money and market competitive rates
- iv) The increase to sports facility income would be a more modest income and be subject to the level of casual booking slots available around block bookings.

This would cover the initial project cost within year 1 and the on-going annual hosting cost, as well as meeting the corporate objective to encourage customers to channel shift and increase participation levels contributing to the health agenda: particularly active young people.

The shift of customers to book on the website would reduce the staff resource time as reflected within the shared service structure.

	2017/18	2018/16	2019/20
Revenue cost of scheme	*15- 20%	15- 20%	15- 20%
Income generation opportunities			
Cost of borrowing			
Revenue savings			
Net Revenue Impact of Scheme			

*This is a standard bench mark that the annual maintenance costs of a system is normally between 15 – 20% of the capital cost. This will be confirmed during the procurement process.

12) Identification and Assessment of Risk in undertaking the Project

What risks have been considered and how would they be mitigated?

Costs at this stage are uncertain but it is expected that the Capital costs for a corporate solution is to be between £50,000 and £100,000 with a 15% - 20% on-going annual support and maintenance cost.

Once known through the tender process, the cost will be assessed against the online Council requirements and a cost benefit analysis undertaken.

13) Other Authorities, Departments, Partnerships or Bodies involved and funding available

Details of other bodies involved in the scheme and the form of their contribution e.g. financial (including grants), practical, advisory etc.

Organisation	Funding	Other (please describe and include any
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Capital Bid 006

	Contribution £	restrictions/conditions)
1.CDC	60%	
2.SNC	40%	
3.		
4.		

Please select if this a Shared scheme with South Northants/Cherwell

14) Estimate of Asset Life

25 years

15) Category (please tick as appropriate)

Enhancement of Existing Asset



New Asset



16) Componentisation

Will the asset have 2 or more components which will have differing useful economic lives? If so, please provide details of components, values and lives.

The solution will provide an online booking solution for :

- 1) Leisure Bookings at holiday activities being run across both districts
- 2) Room Bookings at SNC
- 3) Room Bookings at CDC
- 4) Appointments with CDC Professional Officers - (Customer Services Revenues, Benefits, Planning etc)
- 5) Appointments with SNC Professional Officers - (Customer Services Revenues, Benefits, Planning etc)
- 6) MOT Bookings at SNC & CDC
- 7) Community bookings of council rooms and facilities
- 8) Booking of sports pitches at local schools by the public
- 9) Parish Liaison meetings
- 10) etc

17) ALL SCHEMES – please complete the Profile of Capital Spend and Financing on the following page.

18) ICT Projects – please also complete ANNEX 1 & ANNEX 2.

Profile of Capital Spend and Financing

We will also need to factor in continuing to pay for the existing Lorrensbergs booking system for a further year from July 2017 as a revenue payment.

Capital Expenditure		2017/18							
		Quarter 1	Quarter 2	Quarter 3	Quarter 4				
Description of Cost	Account Code					2018/19	2019/20	2020/21	Total
Consultation									0
Procurement		5,000							5,000
Contractors	73910								0
Professional Fees	74910								0
Construction Services (internal)	74930								0
Equipment	75920								0
Other Capital Costs	76910								0
Initial Purchase of Vehicle or Plant	76920								0
IT - Software	76930	10,000	10,000	10,000	20,000				50,000
IT – Hardware/Hosting	76940	10,000				20,000	20,000	20,000	70,000
Grants	77940								0
Total		25,000	10,000	10,000	20,000	20,000	20,000	20,000	125,000
External Financing									
Description :-									
Capital grants and contributions (please specify)									0
Partnership Funding (please specify)									0
Other									0
Total		0	0	0	0	0	0	0	0
Total Council Funding		0	0	0	0	0	0	0	0

ANNEX 1 – IT CAPITAL

Budget Planner

Capital (One-off)		Primary	DR	Description/Comments
Hardware	Server			
	Desktop/Client			
	SAN/Disk			
	Network Hardware			
	Network Circuit			
Software	MS/Operating System			
	Standard Package			
	Application			
Manpower	Project Delivery			
	Consultancy/Training			

"MS/Operating System" defines anything that will impact on the Microsoft Enterprise Agreement by either consuming existing licenses or requiring new products or licenses to be acquired which need to be added to the existing MSEA

"Standard Package" defines anything that is identified as a common industry package (middleware products, SSL licenses, etc.) These items are likely to already exist in CDC service catalogue and hence having co-terminus renewal dates might yield cost savings for CDC if renewing higher volumes at the same time. Please check with ICT to confirm if any items are Standard Packages

"Application" defines anything that is a unique application software package which probably occurs once in the CDC IS/IT landscape

Consider whether your project requires additional provisions to be made to provide Disaster Recovery capability in the event that the Primary solution is no longer available or cannot be accessed by Cherwell DC employees or agents. Please check with ICT for any extra requirements

ANNEX 2 – IT REVENUE

Budget Planner

Operational (Recurring)	Year 0	Year 1	Year 2	Year 3	Year 4	Renewal Date	Description/Comment
Hardware Maintenance							
Software/License Maintenance							
Software Product Support							
Additional Training							

Year 0 is the budget year in which the Capital Cost is incurred, so consider whether initial 1st year warranty provides suitable cover, or if it warranty should be negotiated out of the price so that it can be covered in Year 0 by adding or amending existing Maintenance and Support Contracts (if higher levels of replace/response are required).	Have 1st year Warranty and Support values been considered and negotiated in/out of the prices of the goods or services being requisitioned?	Yes/No
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Year 0 value should also be pro-rata to the end of the current financial year	Has Year 0 value been pro rata adjusted?	Yes/No
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If any item being procured is a pre-existing product or service, then renewal dates should be negotiated and synchronised so that they are all co-terminus to enable volume discounts to be negotiated at the co-terminus renewal date.	Has the Service catalogue been reviewed to see if there are existing Products or services with defined renewal dates?	Yes/No
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Unless explicitly stated in contracts, maintenance and support renewal dates should default to be 12 months from the initial procurement date of the goods or service. These should be added to the Calendar of the Core Software License Control Spreadsheet (and ITIL Change Management DB).

Regardless of the final treatment of line items as Capital or Revenue, the recurring operational items should be identified here to allow ICT to properly manage and plan for the eventual revenue impact of maintenance oand support of new products and services.