Delegated Cabinet Member Decision Report

Decision Maker and Portfolio area:	**Cllr J Stretton – Portfolio Holder for Neighbourhoods**
Date of Decision:	**28 June 2022**
Subject:	**Waste Management System Replacement**
Report Author:	**Rebecca Chadwick – Service Development and Support Manager**
Contact Officer:	**Craig Dale, Interim Assistant Director for Waste and Fleet**
Ward(s) Affected:	All wards

Reason for the decision:

Oldham Council's Waste Management Services (WMS) uses Mayrise, which is an IT information system for managing statutory waste collections from 97,289 domestic properties in the borough. It is also used to manage 1,700 business waste collections from Oldham, Rochdale and Manchester which generates £1.6 million income annually.

Mayrise is delivered by an organisation named Yotta and they issued a notification in 2019 suggesting that Mayrise would reach its end of life in August 2022. From that point, Mayrise would no longer be actively developed, with full decommission in December 2023.

This notification has since been withdrawn; however, the system is no longer being developed. Support is still being provided and there is no indication that this will be withdrawn, however there is no active development of the Mayrise product.

The service is mindful of this and wants to ensure we procure a replacement back-office product that enables us to deliver the service change we need before the product is end of life.

The Waste Management service empties approximately 33,041 bins on a daily basis, which equates to 8.3 million collections per year. As well as carrying out approximately 272 deliveries, repairs and exchanges each week, or 13,700 each year.

The current Mayrise information system contains all

the address, customer, collection round and historical data on all WMS activity (domestic and commercial waste collections, bin delivery, exchange and repair, bulky collections etc).

Currently, the WMS does not use in-cab technology, although this is widely accepted within the industry as a significant tool to develop and digitise waste collection activity due to its ability to co-ordinate front line and back-office systems which currently rely heavily on paperwork.

This means that processes are incredibly long-winded and inefficient. Data is unreliable and service planning and development is often based upon assumptions, rather than dependable information.

To allow the service to develop we are requesting that we invest and develop an in-cab technology solution alongside our need to replace our back-office system.

A combined in-cab and back-office solution would provide managers in the WMS with the basis to focus on their key development priorities and opportunities for service (e.g., future projects, systems integration, management information improvement).

Summary:

The purpose of the report is to detail the reasons as to why a replacement system is required and the implications and risks of not replacing the system.

As well as the reasoning for the replacement, there are a plethora of benefits for the service which the introduction of in-cab technology would bring. These are detailed in the outline business case (Appendix 1).

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option one - Do nothing
Wait until Yotta formally issue the end of life notice which, from that point, would mean the Mayrise system is unsupported.
This is highly likely to happen within 2 years.
This would incur high costs for any future support required and increase the likelihood of service disruption.
The new product being developed by Yotta does also not meet the service's requirements, so it is not recommended that we wait for an end of life notice.

Option Two – Replace Mayrise back-office system and implement in-cab technology
Procure a replacement for the Mayrise back-office system and implement in-cab technology to provide the Waste Management service with a fit for purpose,

up to date back office system which will lead to efficiencies in processes, improved management information and a better resident experience. This will be a key enabler for the service to digitise its core service processes for both the service and residents.

A procurement exercise has already been undertaken under the Crown Commercial Service's G Cloud 12 framework agreement, which is a fully procurement compliant route to market for cloud based computing services.

The company Bartec Municipal Technologies and their waste management system, Collective, scored the highest against the Council's requirements.

Therefore, approval is sought to award the replacement system and implementation of in-cab technology to Bartec Municipal Technologies.

Option Three – Replace Mayrise back-office system only
Replace Mayrise with a back-office system without the implementation of in-cab technology.
Whilst the service would benefit from a system which would be fully supported, the inefficient paper processes would remain and the service would not fully experience the benefit of a fully digitised solution.

Recommendation(s):

Option Two – Replace Mayrise back-office system and implement in-cab technology, with contract award to Bartec Municipal Technologies under the G-Cloud 12 Framework Agreement.

Implications:

*What are the **financial** implications?*

This report has Capital and Revenue expenditure implications as detailed below. The figures therein are supported by a detailed financial table shown at Appendix 2.

It should be noted that figures contained within the Capital and Revenue projections used in this report represent high level estimates as the project is in the early stages of development.

The estimates are based on 'soft quotations' received from three suppliers. The estimates will need to be reviewed and updated once a procurement process has been undertaken to select a preferred supplier.

Capital Implications:

The cost of acquiring and implementing a new back-office system is estimated currently at £0.225m. This cost includes the software solution, licenses and in-cab hardware to improve communications with the Moorhey Street base of operations.

The cost of the project will be met from the existing Capital Programme allocation for Digital Services development. The cost model disclosed at Appendix 2 assumes that the capital cost of the project will be financed from prudential borrowing.

Once commissioned, the back-office system and associated in-cab equipment will have an expected useful life of 8 years.

Revenue Implications:

If the new back-office system is implemented, this will generate a series of identified cash outflows and related savings.

These cashflows and offsetting savings are shown in detail at Appendix 2 and, in summary, arise due to:

Costs:
- Additional capital financing costs of £0.032m per annum associated with funding the required capital investment from prudential borrowing.
- Increased software maintenance charges compared to the existing back-office system.

Offsetting Savings etc:
- Savings by channel shifting customers towards self service solutions.
- Other Operational savings within WMS.
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The current approved revenue budget and medium term financial strategy already includes sufficient provision to meet the anticipated £0.032m per annum capital financing costs as the capital cost of the project will be met from an existing approved resource.

Should the cost of the project be managed within the £0.225m estimate, and if the anticipated savings disclosed at appendix 2 are realised the project will generate a net revenue budget saving of £0.005m for 2022/23 rising to £0.028m per annum from 2023/24. The project is not sufficiently developed for this to be taken as a firm saving for the forthcoming 2022/23 revenue budget and medium term financial strategy but this position can be revisited in future years.

The existing back-office system and related paper-based processes offer a sub-optimal solution to the needs of the Council's waste collection function.

Completion of this project will facilitate a series of already identified process improvements. It will also reset the digital landscape within WMS. This is expected to lead to new opportunities resulting in further potential cashable savings as well as non-cashable efficiencies through the restructuring of activities led by data driven solutions. These savings cannot be accurately quantified at this stage and have been excluded from the financial modelling.

In addition, failure to replace the system may, at some point in the future, cause issues with the ability of the service to provide trade waste services which would put at risk a £1.6m revenue stream for the Council. The timing and extent of these potential losses cannot be accurately quantified and has also been excluded from the financial modelling.

(Nigel Howard)

| What are the *procurement* implications? | Group Procurement support the recommendation of option 2. The procurement exercise has been conducted via Crown Commercial Services G Cloud 12 RM1557.12, Lot: Cloud Software via the Digital Marketplace, the six step buying process has been followed, full evaluation from the Service along with IT colleagues has been completed and Bartec Municipal Technologies application for Operations Management Software being selected as the preferred supplier. |

The call off contract will be for an initial duration of 24 months at a total cost of £151,088.

The G Cloud Contract allows an option to extend the term twice, each time for no more than 12 months with an annual cost of £32k.
Giving the 4 year contract value of £216,408.

(Senga Henstock – ICT Senior Buyer)

*What are the **legal** implications?*

The Crown Commercial Service's fully compliant G-Cloud 12 framework agreement helps customers in the UK public sector find and buy cloud computing services.

The framework agreement commenced on 28 September 2020 and initially ran for 12 months. The current expiry date of the framework is 27 September 2022.

Under the framework agreement, any call-off will have an initial maximum duration of 24 months, but this can be extended twice, each time for up to 12. The total call-off length should not be for more than 48 months (4 years).

As detailed in the procurement comments, the call-off procedure under the framework agreement has been followed and Bartec Municipal Technologies has been identified as the preferred supplier.

The call-off process is designed to be open and transparent and to enable contracting authorities, such as Oldham Council, to identify suppliers who best meet their requirements from both financial and technical perspectives.

The framework agreement was commissioned in accordance with the Public Contracts Regulations 2015 and, provided the call-off process has been completed in accordance with the framework agreement (as per the procurement comments) there are no known legal implications of the preferred Option 2.

(Sarah Orrell, Legal Services)

*What are the **Human Resources** implications?*

No HR Implications.
(Catherine Pearson, Strategic HR Lead)

*What are the **Children and Young People** Implications?*	*None*
Equality and Diversity Impact Assessment	As this is a replacement system, an Equality and Diversity Impact Assessment is not required. Resident interaction will remain the same, as residents currently interact via the website for elements of reporting waste issues and accessing information about the service.
*What are the **property** implications*	*None*
Risks:	The risks of not implementing a new system and continuing with Mayrise, which will become unsupported would mean that if the system failed rounds could be collected but they would be managed via paper maps.

Future collections would not be able to be scheduled and the service would not be able to communicate with residents when their collections would be.

Residents would not be able to report issues, missed bins, order, exchange or repair bins as there would be no capability to receive or record the information.

It wouldn't be possible to capture the history of a property and therefore, the service wouldn't be able to form an overview of issues and tackle them effectively.

There would be an absence of management information and therefore the service couldn't forward plan service provision which would completely stint service growth.

Managing business waste collections over 1700 businesses would become cumbersome and difficult to effectively manage in the absence of a functioning system.

As business waste generates £1.6 million income annually, it's imperative that this is managed on a fit for purpose system. This is to ensure collections are carried out in a timely and efficient manner but also so that the business waste service can be managed and opportunities for growth are identified and acted upon.

| **Co-operative agenda** | A fully functioning waste management system would allow residents to interact in a more efficient and effective way with Waste Management.

As waste collection is a universal service provided by the Council, it is important that it is completed in a timely and efficient manner.

By equipping the service with the tools to improve the processes, the flow of information between residents and Waste Management will be timely and accurate. |

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	No

There are no background papers for this report

Report Author Sign-off:	Rebecca Chadwick
	Craig Dale
Date:	21 June2022

Please list any appendices:-

Appendix number or letter	**Description**
1	Waste Management System and Service Change – Outline Business Case

Waste Business Case Nov 2021 FINAL |
| 2 | Waste Management System Financial Costings including Capital Cost of system replacement and additional revenue budget requirement

Waste mayrise business case costs |

Approved by:

Signature: Date: 12 July 2022

Cllr Jean Stretton, Portfolio Holder for Neighbourhoods

In consultation with

Signature: Date: 23 June 2022

Emma Barton, Executive Director for Place and Economic Growth