

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3448
Author:	Nicola Smyth
Department:	Commercial and Operations
Contact:	Nicola Smyth (Job Title: General Manager, Email: nicola.smyth@nottinghamcity.gov.uk, Phone: 01158761625)
Subject:	Digital Infrastructure Improvements - Sport and Leisure Service
Total Value:	£680,000 (Type: Capital and Revenue)
Decision Being Taken:	Approval to; 1) invest up to £680,000 in digital infrastructure across the Sport and Leisure service over the next 5 years. 2) establish a reserve fund, making in-year contributions to it, and draw-down from this reserve to fund the planned improvements. 3) amend the capital programme accordingly. 4) delegate authority to the Director of Sport and Culture to procure goods and services required to deliver these digital improvements.

Reasons for the Decision(s) Getting the Sport and Leisure infrastructure right will be the key component in delivering a digital experience the customer prefers to use. The value and benefits of implementing digital change are wide ranging but critically include improvements to user facing services, maximising business performance and reducing customer acquisition costs.

For the Council to be able to protect and grow the service in the future we need to invest in improving the digital infrastructure ensuring the service continues to thrive in the digital age whilst at the same time keeping pace with current industry practices and developments. This decision supports us in delivering our commitment to remaining competitive in the marketplace including enhancing the customer experience by putting more services online and introducing technologies such as self-serve kiosks and improved mobile technologies.

The current infrastructure installed as part of the transformation programme is nearing the end of its lifecycle and this investment will ensure its ongoing sustainability. This investment will also support a reduction in customer contact and rising maintenance costs and facilitate future efficiency savings.

The funding will be met from a combination of in-year contributions to reserve funds as a result of increased income generation and cost reductions due to streamlined operations.

The sport and leisure team will work with the corporate procurement team to ensure value for money for the provision and installation of digital infrastructure improvements to ensure compliance to financial regulations.

Faced with the challenge of reduced funding and increasing demand, the financial direction of travel for Sport and Leisure is to reduce its subsidy in order to become a zero cost service in the medium term subject to investment in income generation and cost reductions, whilst maintaining its social responsibilities to the citizens of Nottingham. The challenge of this placed alongside the increased demand to meet customer expectations in a competitive and shifting market places a greater emphasis on finding new ways of utilising technology.

Other Options Considered: Do nothing - REJECTED. In time the existing infrastructure will become obsolete, affecting how leisure centres can be used and how customer expectations are met.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: The decision does not have impact on the service at this stage. Where improvements are made a specific EIA will be completed for the changes proposed

Any implications affecting IT:

Yes

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

20/03/2019

Advice Sought:

Legal, Finance, Procurement, IT, Property

Legal Advice:

This decision does not raise any significant legal issues provided contracts for any goods and services for the digital infrastructure are awarded in accordance the Public Contracts Regulations 2015 and the City Council's Financial Regulations.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 04/02/2019.

Finance Advice:

This decision seeks approval to incur expenditure totalling £0.680m in the next 5 years to invest in the Sports & Leisure digital infrastructure. The aim of this investment is to maintain and increase income to the Council, and reduce costs by more customers using self-serve kiosks and services available on-line, combined with reduced maintenance of the current infrastructure.

An earmarked reserve will be established, and expenditure will only be incurred when it is affordable thereby minimising resourcing risk.

Failure to invest in the digital infrastructure could adversely affect the number of customers attending the Council's Sports and Leisure sites, which operate in a developed and competitive market place, thereby risking expected savings in the Medium Term Financial Plan (MTFP). The 2018/19 approved MTFP included a reduction in the net cost of service of £0.204m, with a further reduction in the 2019/20 MTFP of £0.299m subject to approval of Full Council in March 2019.

Subject to approval of this decision, the capital programme will be amended to include this commitment.

Advice provided by Maria Balchin (Finance Analyst) on 31/01/2019.

Property Advice:

The proposed digital infrastructure improvement will enable Leisure Service to remain competitive and "fit for purpose" into the future, along with providing an improved customer experience, whilst remaining competitive in the wider leisure market.

Funding will be from Leisure's income generation and income reserves, expenditure which will take place on this investment when there is money in the reserves.

As the infrastructure will be implemented on a phased basis, any future change to the profile of the service can be accommodated through forward planning of investment at sites. This proposal is consistent with the Corporate Asset Management Plan and supports the Service Asset Management Plan.

Advice provided by Christine Read (Property Business Partner) on 20/02/2019

Procurement Advice:

Any procurement activity arising from this decision will be conducted in compliance with the Council's financial regulations and contract procedure rules.

Advice provided by Lauren Wheatcroft (Procurement Officer) on 12/02/2019.

IT Advice:

IT Services support digital initiatives that improve the customer experience and reduce operational costs to the Council. Since the decision form has not gone into the specifics of the digital innovations that will be adopted, I will approve the decision with a caveat.

The caveat is that for any digital solutions that Leisure plans to procure, IT Services must be involved from the beginning before a technical solution is decided and money spent.

IT Services is responsible for developing technical solutions. This ensures that the digital innovations are compliant with Public Sector Network (PSN) security requirements; that there is no duplication in investment where existing solutions could provide the same services; and that other hidden connectivity costs to make the new solutions work are identified upfront.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 06/03/2019.

Signatures

David Trimble (Portfolio Holder for Leisure and Localities)
SIGNED and Dated: 13/03/2019
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 12/03/2019