

**BABERGH DISTRICT COUNCIL**

**FROM:** Head of Corporate Services

**REPORT NUMBER**    **G190**

**TO:** OVERVIEW AND SCRUTINY  
(STEWARDSHIP) COMMITTEE

**DATE OF MEETING:** 29 January 2008

**LOCAL AUTHORITY MODERNISATION PROGRAMME (LAMP) PROJECT – TIMESCALES  
AND PAYMENT PROFILES**

**1. PURPOSE OF REPORT**

1.1 The report gives the Committee an update following agreement with MacDonald Dettwiler and Associates (MDA) on the timescales and payment profile for the LAMP project. This report was requested through Minute 41 of the meeting of 9 October 2007.

**2. RECOMMENDATION**

2.1 That the report be noted.

**3. FINANCIAL IMPLICATIONS**

3.1 The revised payment profile for the LAMP project does not alter the overall cost of the project. This remains at £1.006 million. However, the changes to the profile mean that previously estimated capital expenditure will now fall in different years as shown in the table below (all figures in £,000s):-

<b>Payment Profile</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>
Original Prediction	400.0	406.0	200.0
Current MDA payment profile	307.7	498.8	199.5
<b>Difference</b>	<b>-92.3</b>	<b>+92.8</b>	<b>-0.5</b>

3.2 The estimated payment profile above is slightly different to that assumed in the draft capital programme. This is because a more cautious view has been taken on all projects to reflect previous experiences on overall annual expenditure levels compared to the budget. Officers will continue to manage capital projects, reporting progress and any variances on expenditure plans as part of the agreed quarterly performance and finance monitoring arrangements.

**4. RISK MANAGEMENT**

4.1 There are two main risks relating to the project:-

- a) The project takes longer than expected.
- b) The project incurs extra cost.

- 4.2 The impact of (a) is seen as marginal with the likelihood being low. This is due to the fact that it is in MDA's best interests to complete the project on time because it is against the acceptance of key deliverables within the project that they (and their sub-contractors) will be paid. If the project overruns by a few months, the impact on Babergh is insignificant. It will only be of concern if the project takes longer than Babergh's original estimate of 2 years – this is seen as very unlikely.
- 4.3 The impact of (b) is seen as marginal with the likelihood being low. Although the project is fixed price with MDA, if any of the figures Babergh provided (for example, to calculate the amount of paper data to be converted into electronic format) prove to be inaccurate this could mean an increase in costs. However, a great deal of effort was put into the project from Babergh's side to ensure this information was as accurate as possible, and therefore the likelihood should be low.
- 4.4 There may be increased project costs if the amount of work that needs to be undertaken internally by Babergh cannot be accommodated with existing resources. The likelihood of this is still seen as low, as contingency plans would be put in place to divert resources from other lower priority work to accommodate.

5. **KEY INFORMATION**

- 5.1 The original payment profile for LAMP was derived from an estimated start date for the project of April 2007, and an estimated project length of around two years. An allocation of costs for the project was then predicted over this two year period (April 2007 – April 2009).
- 5.2 In practice, it has taken a lengthy time to agree contract terms with MDA, and the contract was only signed at the end of November 2007. However, the duration of the project is now predicted by MDA to be 15 months in duration rather than the two years previously estimated by Babergh, and consequently it is now anticipated that the project will run from December 2007 to April 2009. With this revised timescale it is therefore expected that the project will be completed by the original date (April 2009) previously communicated to Members.
- 5.3 The payment profile has been agreed with MDA around a set of deliverables. These deliverables, and the associated payments are shown in the table below:-

<b>Deliverable</b>	<b>Payment</b>	<b>Relative Date</b>	<b>Expected Date</b>
Project Planning Acceptance	153.3	Month 2	01/2008
Software installation / configuration	154.4	Month 4	03/2008
Gazetteer linkage	99.8	Month 8	07/2008
Development Control changes	99.8	Month 10	09/2008
Completion of data conversion	99.7	Month 13	01/2009
Building Control changes	99.7	Month 13	01/2009
Land Charges changes	99.8	Month 14	02/2009
Final Acceptance	199.5	Month 15	04/2009
<b>TOTAL</b>	<b>1006.0</b>	-	-

- 5.4 The expected dates shown above assume some slight flexibility on payments – e.g. the final payment falling in March / April 2009 being paid in April 2009. This is entirely consistent with the project plan, and tolerance within the accuracy of the predicted months.

