



## **ADVANCE PUBLICATION OF REPORTS**

This publication gives five clear working days' notice of the decisions listed below.

These decisions are due to be signed by individual Cabinet Members  
and operational key decision makers.

Once signed all decisions will be published on the Council's  
Publication of Decisions List.

- 1. DIGITAL SERVICES OVERARCHING CIVICA STRATEGIC CONTRACT**  
(Pages 1 - 16)

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**London Borough of Enfield  
[Committee Name]**

**Meeting Date**

**Subject:** [Digital Services Overarching Civica Strategic Contract]

**Cabinet Member:** [Councillor Leaver]

**Executive Director:** [Fay Hammond]

**Key Decision:** [ 5532 ]

**Purpose of Report**

1. To award a contract that combines all existing Digital Services contracts with Civica as a supplier into a single overarching contract which will provide opportunity save money over the current contract and limit cost increases for future.

**Proposal(s)**

2. The proposal is to sign up to consolidated contract with Civica for 5 + 2 years via a direct award under the CCS DAS Framework.

There are currently, 9 separate services that Civica provide to support Digital Services enable the rest of the council. These are not aligned as they have been procured separately at different times resulting in a fractured approach from supplier and unable to drive forward a strategic delivery. By joining the contracts together to co-align over a longer period, this provides the opportunity to achieve reduced supplier costs, better service level agreements and support, opportunities to innovate and have a clear indication of budgeted costs over the next 5 to 7 years.

**Reason for Proposal(s)**

3. Since Digital Services formed in November 2020, there has been an approach to develop relationships with our suppliers into partnerships. Civica were identified as the supplier with the most separate contracts and spend, in addition to their involvement in delivery and support of many our key statutory systems, including Council Tax, Benefits, Business Rates, Housing and Elections. Over the past two years as we have developed that partnership, it has become clear that the existing separate contracts hindered the relationship and delayed or hindered the opportunities to deliver our digital strategy together.

As a result, we have worked with Civica to identify the changes we need to make, and they have centred on reducing costs, ensuring that our products are up to date, secure, improved outcomes from what use, quicker responsiveness and excellent ways of working together.

As a result, Civica have offered to

- combine all existing contracts into a single agreement
- provided cashable savings
- a plan for moving and upgrading platforms
- improved standards of delivery and response times
- overarching supplier management on their side (to align with Enfield's approach)
- support innovation
- employ an Enfield resident
- provide long term stability for key applications and products

The proposal is to replace the current contracts with a new 5 + 2 year contract starting from 16<sup>th</sup> December 2022 and ending 15<sup>th</sup> December 2029 (including the 2 year extension) for provision of the following applications.

- Council Tax
- Business Rates
- Benefits
- Overpayments
- Housing
- Digital 360 (Workflow and Document Management)
- Elections
- Fleet Management
- Catering

### **Relevance to the Council Plan**

4. All the services that this contract enables, deliver on all the council plan initiatives since they support most services in the council.

### **Background**

5. Enfield Council has use products provided by Civica for over 10 years. Many of these are key applications to deliver statutory outcomes such as collection of council tax or running elections.

The contracts that are currently in place include a wide ranging Civica Hosted Contract that provides the Council Tax, Business Rates, Benefits, Housing and Workflow systems, which Civica also host and maintain. There are also annual contracts for systems such as Elections, which the council hosts itself.

Due to the age of some of these contracts and our changing Digital Strategy which was implemented in 2020, there was a requirement to revisit both our relationship with the supplier, but also to align the contracts to our new model. That includes improved Service Level Agreements, improved contract monitoring, working with supplier to deliver changes more quickly and how to reduce our costs.

This contract replaces the existing contracts with Civica already in place and previous arrangement to cover security such as performance bond or PCG are to continue for the new contract award. On going and improved contract and supplier monitoring as built into the contract, will enable monthly review and escalation of any service issues.

## **Main Considerations for the Council**

6. The products provided in this contract support our key statutory services. Replacing these services is both costly, time consuming and due to the market, there are very few competitors. By entering this agreement for 5 + 2 years, this provides adequate time during the lifecycle of the contract to consider looking at alternatives in the market, without impacting on current service delivery. The core main contracts have less than 1 to 4 years remaining, which with the existing committed work programme would not provide either the time or finance to replace them.

The offer to reduce costs and improve service, is offset by using a longer contract which provides the supplier the bandwidth make savings that shorter contracts do not.

## **Safeguarding Implications**

7. This contract does not provide services that impact on safeguarding.

## **Public Health Implications**

8. This contract does not provide services that impact on public health.

## **Equalities Impact of the Proposal**

9. The existing EQIA used for the current contracts being rolled into one remains current.

## **Environmental and Climate Change Considerations**

10. Civica are committed to delivery of the council's considerations. As part of this, they are moving their own hosted environment into existing cloud services, meeting their own internal targets too.

## **Risks that may arise if the proposed decision and related work is not taken**

11. The key risk is that this is a time limited offer with a deadline of 16<sup>th</sup> December. Failure to sign by then, will result in the withdrawal of the offer, and each contract would then need to be renewed separately in the contract lifecycle, losing the cashable savings, future cost increases would be higher and the ability to improve services would be delayed. The mitigation to this, is an expedited procurement.

## **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

12. By moving all contracts into a single contract, then the risk is a long term commitment to something that may not be required for the whole term. As these applications support services which are nearly all statutory, this risk is mitigated, including the ability to remove individual services with notice.

## **Financial Implications**

See Confidential Appendix

## **Legal Implications**

*Prepared by CP based on version of report circulated 6 December 2022*

14. The Council, under s.111 Local Government Act 1972 has the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council also has a general power of competence under s.1(1) Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles. The proposed arrangements with Civica are in accordance with these powers.

15. The value of the contract exceeds the relevant EU threshold, which means that the Public Contracts Regulations 2015 (PCR 2015) apply to the procurement. The use of a framework is a compliant route to award, provided that the procurement process complies with the PCR 2015, the Council's Contract Procedure Rules (CPR), and the terms of the framework itself. The P&C Hub has carried out due diligence on the framework and confirmed that the Council can compliantly make a direct award under the CCS Data and Applications Solutions Framework. The procedure under the framework for making a direct award must be followed.

16. Officers must ensure that the existing contracts to be replaced with the new contract proposed in this Report are validly terminated and migrated over, with advice being taken from Legal Services.

17. The terms of the contract procured must be consistent with the framework, and in a form approved by Legal Services on behalf of the Director of Law and Governance. Due to the value, it must be sealed by Legal Services.

18. In respect of any contract with a value of £1m and over, the Council's CPRs state that the supplier must be required to provide 'sufficient security' (which includes a performance bond or parent company guarantee). Evidence of the form of security required or why no security was required must be stored on the E-Tendering Portal for audit purposes. Where no such security is being requested from the supplier, then the Executive Director of Resources must approve the financial risk prior to any award. The relevant Authority Report must set out the reason why it is proposed that the contract should be awarded despite absence of security and what measures are to be taken to manage this risk.

16. The Council will need to ensure that it obtains Best Value for the services as required under the Local Government Act 1999.

## **Digital Implications**

15. The applications covered by this contract are key critical applications to the council. By having a long term agreement, this will enable the service to have a strategic contract that aligns with key performance targets, control of running costs, improved performance and response times and better supplier relationship and support both for delivery of day to day services, but also to contribute to delivery of new innovative projects.

### **Workforce Implications**

16. N/A

### **Property Implications**

17. N/A

### **Procurement and Contract Management Implications**

18.1 Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and Public Contracts Regulations (2015).

18.2 The proposed contract will be awarded in compliance with the Rule 15.2(i) of the CPR's, as a direct award via the Crown Commercial Services Data and Application Solution (DAS) framework RM3821. The necessary due diligence has been undertaken to ensure that the direct award will be made in compliance with the rules of the framework agreement. This mitigates the risk of challenge against a direct award to Civica from other providers on the framework agreement.

18.3 The award of the contract, including evidence of authority to award, promoting to the Council's contract register, and the uploading of the executed contract will be undertaken on the London Tenders Portal including future management of the contract.

18.4 This necessary information will be published on the Contracts Finder portal to comply with the Government's transparency requirements.

18.5 The CPR's state that contracts over £100,000 must have a nominated contract owner in LTP, and for contracts over £500,000 there must be evidence of contract management. As this contract is over £500,000, resource has been identified from within Digital Services to manage the proposed contract. Procurement will work with Digital Services to ensure the contract manager has access to LTP.

18.6 Procurement Services is in the process of rolling out a contract management tiering tool which will classify contracts. This contract by nature of its value and strategic importance will be deemed as a Platinum contract. It will require the most rigor in terms of contract management and Procurement Services will be available to input utilising our expertise alongside Digital Services. This framework allows for a Board to be set up to oversee this contract by the Council and the expectation is that Digital Services will create this environment.

18.7 A handover meeting will be set up between Procurement Service and Digital Services to support the establishment of a contract management plan for the lifetime on the contract.

### **Options Considered**

19. The option to do nothing was considered. This was discounted once both the cashable savings, cost avoidance and improved performance was offered within contract.

### **Conclusions**

20. To have engaged with a key supplier, with an aim for them to reduce costs, improve performance, avoid cost increases and provide a platform for strategic digital working and improved relationships, was a key challenge. To receive an offer that provided all of these items, and a long term partnership provides both savings and opportunities for the council as well as the basis of how we manage other digital suppliers going forward.

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### **Appendices**

See Confidential Appendix



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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