

**MUNICIPAL YEAR 2015/2016 REPORT NO.**

**PORTFOLIO REPORT**  
**OF:**  
Director of Finance,  
Resources and Customer  
Services

<b>Agenda – Part: 1</b>	<b>Item:</b>
<b>Subject:</b> <b>Procurement of ICT Cloud Technology with Data Centre Services</b> <b>Key Decision Number: KD 4177</b>	
<b>Cabinet Member consulted:</b> Cllr Dino Lemonides	

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**1. EXECUTIVE SUMMARY**

- 1.1 This report details the evaluation and potential benefits of utilising the provider's technology and recommends undertaking a project of this new and market leading product before moving to production use.
- 1.2 It is intended to utilise the intended technology tool to support the Council's digital transformation programme speeding up delivery time of building digitised solutions for the Council's customers and reducing future software development costs.

**2. RECOMMENDATIONS**

- 2.1 To approve the proposed direct award of the project contract, and for power to be delegated to the Director of FRCS to make the direct award.
- 2.2 To approve the move from project to production use, and subsequent contract term, subject to security checks and SIRO approval.

See Pt 2 report.

### **3. BACKGROUND**

- 3.1 The Council has a history of delivering innovation, and the use of technology to deliver improved service whilst achieving reductions in the cost of delivery. It has considered and invested in selected technologies and has trialled a number of solutions which may be considered to be at the forefront of local authority transformation, including LBE's Digital Customer Platform. The Council has also invested time and money in technologies, which challenge traditional thinking and which create opportunity for transformative shifts in the delivery of services.
- 3.2 The Council has in isolated tests, used technology to determine the technical ability to provide general advice and guidance in response to staff questioning based on Council HR policy content, and customer homelessness screening process, all with positive results.
- 3.3 In February 2015, Cabinet were first introduced to the idea of using this form of technology as part of the Council's continual transformation and progression to achieving further efficiencies and excellent customer services. The report was taken under KD4263.
- 3.4 These initial trials were undertaken with a view to proving the technical capability, in a local authority setting to highlight the potential for the Council to support a number of citizen facing services. An initial review of the trial and the potential use of the system in supporting the Council's digital transformation programme (undertaken on 'Top 23' and the 'additional processes') identified significant software development savings as well as operational efficiencies that could be achieved.
- 3.5 The candidate Epics to be used will focus specifically on data types, systems and service areas that become the foundations to; enable accreditation, integration and adoption and savings and/or income maximisation. These will largely centre Microsoft Dynamics, Civica Revenues & Benefits and SAP.

### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Do nothing. The Council still needs to drive forward the additional creation of online products to further meet the demands of its customers, and provide a digital channel in order to further support the necessary organisational efficiencies.

- 4.2 Continue to use traditional software development approaches at an increased cost. This approach will lead to slower delivery timescale and delay the realisation of savings achieved from the roll-out of digital service delivery (staff savings / running costly legacy processes)
- 4.3 Implement traditional line of business systems based waterfall approaches, which will take longer to deliver and realise benefits to the organisation. By choosing to work and adopt an agile framework, will significantly speed up delivery and benefits realisation.

## **5. REASONS FOR RECOMMENDATIONS**

See Pt 2 report.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES**

### **6.1 Financial Implications**

See Pt 2 report.

### **6.2 Legal Implications**

- 6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The services from the IT companies/ contractors detailed and implementation of the project as proposed within this Report are incidental to the functions of the Council's departments and are intended to help ensure an effective IT support to the Council.
- 6.2.2 The Council also has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation.
- 6.2.3 It is proposed to make a direct contract award to the provider for the term of 18 months.
- 6.2.4 Regulation 32(2) allows a direct award of a contract without prior publication when 'competition is absent for technical reasons'. This derogation is narrowly construed and can only be relied upon in exceptional circumstances. If a contract award is purportedly made under this provision and the award is challenged then it will be for the Council to prove that the award was justified, potentially in court. In

order to justify the direct award, the Council would have to demonstrate that its requirements (which have not been artificially narrowed) cannot be met by any other provider, and that competition is therefore absent for technical reasons

6.2.6 If the council decides to follow this option then it will need to publish a contract award notice through OJEU within 30 days of the contract being awarded.

**6.3 Property Implications**

N/A

**6.4 Procurement Implications**

See Pt 2 report.

**7 KEY RISKS**

See Pt 2 report.

**8 IMPACT ON COUNCIL PRIORITIES**

**9.1 Fairness for All**

N/A.

**9.2 Growth and Sustainability**

N/A.

**9.3 Strong Communities**

N/A.

**10 PERFORMANCE MANAGEMENT IMPLICATIONS**

The contract would be monitored and managed by the Council's IT Supplier Relationship Management function.

**11 HEALTH AND SAFETY IMPLICATIONS**

N/A

**12 PUBLIC HEALTH IMPLICATIONS**

N/A

**Background Papers**

None