

MUNICIPAL YEAR 2019/2020 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:
Executive Director of Resources

Agenda – Part: 1	KD Num: 4972
Subject: Supplier A Hosted Application Services	
Wards: n/a	

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1. RECOMMENDATIONS

To seek approval to award the renewal contract for application services provided by Supplier A for the period to 27th September 2025. *See Part 2.*

2. BACKGROUND

Since 2010, Enfield Council has been in partnership with Supplier A to host the Revenues and Benefits System (which supports Council Tax, Benefits, Business Rates and Overpayments) and the supporting integrated Workflow and Document Management Systems. Since 2017, Enfield has been implementing the replacement Housing System in the same environment and in 2018 Supplier A acquired the Single View of Customer System that is used for the Single View of the Customer in Enfield.

These contracts co-terminate on 30th September 2020. Having reviewed that the products and hosting arrangements remain Enfield's preferred way forward, EY were engaged to work with IT to look at getting the best value from any future extension or re-award of the contract.

As part of the re-negotiation, the services using the live applications confirmed that they are happy with the products in use, and IT confirmed that they would fit with the future strategy. The Housing Product (Housing System) is expected to go live at the end of 2019, within the lifetime of the current contract, and there is no appetite to replace that system at this point.

As a result, the negotiations focussed on the following:

- To reduce costs paid to Supplier A during the implementation project
- To reduce the impact of the RPI increase on the current contract terms
- To acquire services within the contract so Enfield does not have to keep acquiring new services that are developed in the contract lifetime
- To ensure that the products are developed in line with Enfield's IT strategy
- To remain on the current applications

Following negotiations, Supplier A have proposed that Enfield undertakes an early renewal which would provide a new 5 year period plus the remaining period of the current term. The proposal meets the requirements above.

At the point of negotiations, the annual costs of Revenues and Benefits, Workflow system, Housing System, Single View of Customer and the hosting of them is see Part 2. This includes a projected annual RPI increase of 3.5% which would apply each year. This projection is based on the existing proposed annual RPI uplift from Supplier A.

See Part 2

3. COMMENTS OF THE DIRECTOR OF FINANCE AND OTHER DEPARTMENTS

3.1 Financial Implications

The contract costs are paid by the ICT Service (FG0227).

See Part 2

Although the contract renewal date is 28th September 2020, the negotiations with Supplier A include a cost reduction for 2019/20 as well. This will help to mitigate against a potential in-year budget pressure. It should be noted that, whilst it may be possible to register all or part of these as savings in the MTFP, no annual uplift is applied. Therefore, it is more likely that the cost reductions will help the service to contain its budget at the 2019/20 level.

See Part 2

3.2 Legal Implications

Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate or is conducive or incidental to the discharge of their functions.

Furthermore, the Council has a general power of competence under Section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided that it is not prohibited by legislation and subject to public law principles.

The Council will need to ensure that any contracts which are entered into pursuant to the IT rationalisation programme are procured in accordance with the Public Contracts Regulations 2015 (where applicable) and the Council's Contract Procedure Rules.

The contracts will need to be in a form approved by the Director of Law and Governance.

This will be a Key Decision as it involves expenditure of more than £250,000 and therefore the Key Decision governance process will need to be followed (see CPR 1.22.4).

The Council needs to be mindful that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply to any future service provision change, and legal advice should be sought on this at the appropriate time.

Legal Implications provided by Wilton Thomas

3.3 Property Implications

N/A

3.4 Procurement Implications

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

3.4.2 The award of the contract, including evidence of authority to award, promoting to the Council's contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract. Where this has not happened then copies of the evidence must be provided to the P&C Hub to create a Contract Register entry for the contract. (As in this instance).

3.4.3 All award projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.

3.4.4 Supplier A and Enfield entered into the agreement for Revenues and Benefits on the 30th September 2015 via a signed LASA agreement (the pre-cursor to the current DAS framework).

Supplier A and Enfield entered into the agreement for Housing System on the 1st May 2016 via a signed LASA agreement.

All these contracts started at different dates, they co-terminate on 30th September 2020.

3.4.5 In order to obtain best value and align the contracts to Enfield's future requirements a single contract would be needed. Supplier A are

proposing the use of the DAS Framework (<https://ccs-agreements.cabinetoffice.gov.uk/data-and-application-solutions>). This is the new crown commercial framework that has replaced LASA and is effective from the 22nd February 2019. The framework has pre-agreed terms and conditions with the crown commercial service that Supplier A has accepted. Supplier A would be able to use this as a framework to add other services throughout the term as required.

3.4.6 As the council is a current customer of Supplier A for Revenues and Benefits and Housing then the council can purchase the renewal and additional modules direct from Supplier A under the terms of the framework as a direct award. This therefore allows the council to procure the extension under one agreement directly from Supplier A.

3.4.7 If the council would like to discuss the option further Supplier A would be happy to engage with the relevant parties. A direct award can be completed under the CCS DAS Framework Agreement, this can be an Initial Period of five years with an extension period of a further two years. The extension period can be invoked immediately following signature of the Call Off Order form via a CCN to the Call Off Contract. This would mean that in order to execute the agreement a Call Off Contract and CCN will be issued and both must be signed to enter into the six year arrangement.

3.4.8 It is expected that this contract will be monitored and managed effectively to ensure that it delivers value for money, and all KPI's are met and delivered. The payments are made in line with contracted pricing. That any renewal/re-procurement will be started with sufficient time to carryout a full and compliant process prior to the end of this contract.

3.4.9 See Part 2 *Implications provided by Claire Reilly*

3.4 HR Implications

None

3.5 ICT Implications

This is to maintain the existing service until the end of September 2025 and also implements the following additional services that fit the IT strategy of the council including:

- Single Sign On Capability
- Golden Record Production
- Integrated platform for delivery of two critical service lines
- Agile delivery and R&D approach to service innovation
- API access

6. KEY RISKS

The risks of proceeding with the recommendations in this report are as follows:

- **Timescales/Costs:** That we do not complete the acquisition in time and lose potential savings over the term of the contract
- **Mitigation:** Civica are aware of the timescales and potential impact on future partnership and opportunities with Enfield and are expected to maintain their offer in the event of delays
- **Procurement :** Alternative Suppliers not offered opportunity to bid:
- **Mitigation:** Procurement have confirmed proposed process meets all rules

7. IMPACT ON COUNCIL PRIORITIES

8.1 Good homes in well-connected neighbourhoods

- Applications support delivery of all Revenues, Benefits and Housing services which in turn support all the council priorities

8.2 Sustain strong and healthy communities

- Applications support delivery of all Revenues, Benefits and Housing services which in turn support all the council priorities

8.3 Build our local economy to create a thriving place

- Applications support delivery of all Revenues, Benefits and Housing services which in turn support all the council priorities

9. EQUALITIES IMPACT IMPLICATIONS

N/A

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Key Performance Indicators in line with existing service provision, supporting the current ICT KPI's. There are no new implications as this is a continuation of service.

11. HEALTH AND SAFETY IMPLICATIONS
N/A.

12. HUMAN RESOURCES IMPLICATIONS
N/A.

13. PUBLIC HEALTH IMPLICATIONS
N/A

Background Papers
N/A.