

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

<b>Reference Number:</b>	<b>3928</b>
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<b>Department:</b>	<b>Development and Growth</b>
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<b>Subject:</b>	<b>Purchase of three new ICT packages from Northgate Public Services</b>
<b>Total Value:</b>	<b>£95,230 (Type: Revenue)</b>
<b>Decision Being Taken:</b>	<b>1) Approval for the Council to purchase three ICT packages from Northgate Public Services</b> <b>2) Approval to dispense with contract procedure rule 4.1.2 in accordance with financial regulation 3.29 to enable the Council to enter into the contract with Northgate Public Services for the three ICT packages and to amend its current contract for continued support and maintenance.</b>

**Reasons for the Decision(s)**

**Nottingham City Council (NCC) and Nottingham City Homes (NCH) have contracted with Northgate Public Services, formerly SX3 for a number of years, to provide the Council's core housing management database. The key systems of Northgate support the day to day functioning of just some of the following activities:**

- 1) Managing records of all the Councils and NCH's social housing properties**
- 2) Administering the Council's housing register**
- 3) Managing repairs to properties**
- 4) Collecting social housing rents**

**NCH colleagues are the majority user of the system and therefore, NCH is a key stakeholder. Northgate is the core housing management database used 24 hours a day by colleagues in the Council and NCH.**

**NCC purchased and owns a number of licenses for Northgate Housing. ICT support and maintenance for the existing contract is for a fixed price agreed over five years. Financial year 2019/20 being the first year of the contract. Support and maintenance delivers a fault fixing service and access to system wide upgrades and enhancements that are based on legislative requirements to support the lawful delivery of social housing and user enhancements.**

**Using ICT systems, NCH continues to enhance its digital offer to tenants, whilst using ICT to drive efficiencies and safety compliance throughout the organisation by enabling a digital first ethos. Whilst existing third party software systems have served NCH well to date, the Council supports NCH's view that the more ICT applications in use within a business, the greater the requirement for data maintenance, managing interfaces, upgrades, hosting servers, disaster recovery plans and general database management required and staff expertise etc.**

**NCH use an asset management database that is independent of Northgate. The database provides a platform for basic asset management and control of asbestos, it is not integrated with the Northgate housing management system and currently does not provide compliance management and reporting data. Following discussion with the existing supplier, they report that the ability to integrate with Northgate and to provide a compliance management module, costings are detailed in the exempt appendix. However, continuing a relationship with the existing supplier would require NCH to:**

- 1) Continue supporting and maintaining another database**
- 2) Sourcing resources to undertake a significant upgrade will be required that would prompt a re-implementation of the product**
- 3) Significant capital investment would be required to purchase and integrate the compliance modules**

**NCH has been in discussions with Northgate to understand the business roadmap of products, recent discussions and demonstrations has enabled NCH to realise that Northgate can undertake compliance management, reporting, asset management and asbestos management. The initial setup costs and annual support and maintenance costs have been detailed in the exempt appendix.**

**Additionally, the purchasing of modules will assist NCH to:**

**Improve its monitoring of the four key priority areas for asset management including, water hygiene, gas safety, electrical safety, asbestos compliance and lift maintenance**

**Create administration efficiencies, by not having to manually duplicate large data sets, thus reducing error reporting**

**Increase NCH's ability to efficiently report upon assets it manages and owns**

**Therefore it is proposed colleagues efforts are focussed on enhancing our core housing management database. The purchasing of modules and implementation costs will initially be borne by Nottingham City Council, however full costs will be recouped from Nottingham City Homes. Support and maintenance costs will fall inline with existing agreements between the Council and Nottingham City Homes for the support and maintenance of Northgate.**

**Other Options Considered:** Option 1) Stay as we are, which is not feasible due to the risks associated with ensuring compliance and so this option was rejected  
Option 2) Do nothing, this option has been discounted due to the need to be legally compliant

**Background Papers:** N/A

**Published Works:** N/A

**Affected Wards:** Citywide

**Colleague / Councillor Interests:** None

**Any Information Exempt from publication:** Yes

**Exempt Information:**

**Description of what is exempt:** Financial breakdown

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

**3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains details negotiated specifically for Nottingham City Council and disclosure of these details may lead to less favorable terms in future negotiations

**Documents exempt from publication:** Finance.docx

**Consultations:**  
Date: 18/05/2020  
Other: Sue Smith - Head of Business Transformation, Nottingham City Homes

**Nottingham City Homes supports this decision which benefits the Council and Nottingham City Homes to ensure the management of stock is undertaken to a high quality and low cost. Investing in IT is a key driver for our organisation.**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**No crime and disorder implications have been identified**

**Equality:**

**EIA not required. Reasons: No change to policy or procedure**

**Social Value Considerations:**

**Value not above EU threshold**

**Any implications affecting IT:**

**Yes**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:**

**15/07/2020**

**Advice Sought:**

**Legal, Finance, Procurement, IT**

**Legal Advice:**

**This report does not raise any significant legal issues as the value of the software and maintenance support services to be purchased from Northgate is below the applicable threshold in the Public Contracts Regulations 2015. Appropriate service levels need to be agreed with Northgate to ensure the software is supported in accordance with the City Council and NCH's requirements. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 19/06/2020.**

**Finance Advice:**

The approval is for the Council to purchase additional software licences from Northgate to enable the existing Northgate housing system to replace the existing Asset Management software currently in use by NCH (details of costs are in exempt appendix).

The one-off cost of the initial investment and implementation of the new Northgate modules will be recharged by the Council to NCH, so there will be no net impact on the council.

The ongoing support costs for the licences will be paid by the Housing Revenue Account (HRA), ie the landlord function of the council that is ring-fenced from general council expenditure (the General Fund). NCH will continue to reimburse NCC for their share of the cost and the HRA will continue to incur the Council's share of the annual cost. There is a small saving to both organisations as even with increased functionality the support costs of the proposed software are less than the existing support costs for Keystone.

To enter into the agreement with Northgate will require a dispensation from contract procedure rule 4.1.2 in accordance with financial regulation 3.29, this is supported by Finance as the proposal result in a revenue saving to the NCC (HRA) and NCH and is better value than using the existing supplier, whilst supporting integrated IT systems.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 30/06/2020.

**Procurement Advice:**

An Approval to dispense with contract procedure rule 4.1.2 in accordance with financial regulation 3.29 to enable the Council to enter into the contract with Northgate Public Services for the three ICT packages and to amend its current contract for continued support and maintenance is required for this purchase to go ahead. Advice provided by Paul Ritchie (Lead Procurement Officer) on 19/06/2020.

**IT Advice:**

The IT Service supports the proposals made in this delegated decision.

Northgate Housing has been operated by the Council for many years and has proven itself to be a reliable application system. The Council has a high level of knowledge about the product and its environment. It is a stable and reliable product.

The Council's strategy with regard to application systems is to reduce the number of application systems supported by consolidating functionality into fewer systems. The proposals in this report support this strategy. More closely integrate systems reduce the dependence on system interfaces and control the risk of data duplication and the consequential risk of change in one system having an unforeseen impact upon another.

Implementing new application systems and migrating from current systems is a change and has inherent risks, but these are reduced in situations like this where an addition is made to an already stable system.

Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 18/06/2020.

**Signatures**

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)

SIGNED and Dated: 08/07/2020

Chris Henning (Corporate Director for Development and Growth)

SIGNED and Dated: 07/07/2020