

Commissioning and Procurement Sub-Committee – 12 January 2021

Subject:	Statutory Regulatory Services Digital Platform Investment - Key Decision		
Corporate Director(s)/ Director(s):	Andrew Errington; Strategic Director for Community Protection		
Portfolio Holder(s):	Councillor Sam Webster, Portfolio Holder for Finance, Growth and the City Centre Councillor Linda Woodings, Portfolio Holder for Housing, Planning and Heritage		
Report author and contact details:	Steven Brookes; Senior Project Manager steven.brookes@nottinghamcity.gov.uk 0115 8763120		
Other colleagues who have provided input:	Pete Mitchell; Head of Regulation Community Protection pete.mitchell@nottinghamcity.gov.uk 07572 262281		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: Exempt			
Wards affected:	Date of consultation with Portfolio Holder(s): 15 December 2020		
Relevant Council Plan Key Theme:			
Nottingham People			<input type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input type="checkbox"/>
Respect for Nottingham			<input checked="" type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
Civica's Authority Public Protection (APP 'Flare') system has been in operation within Nottingham City Council (NCC) since 2006. It is used to manage the gathering, provision and reporting of Regulatory Services within Community Protection (CP).			
Civica UK Ltd, Flare's supplier announced the system will become unsupported from September 2022 and NCC's supply contract ends at the same time. It should be noted that this deadline has already been extended from an original September 2021 deadline.			
NCC cannot adequately or efficiently respond to its statutory requirements without having a digital solution in place and so it is recommended that we tender for a replacement and start an implementation project.			
Nottingham Citizens rely upon CP to provide services stipulated by the following legislation.			
<ul style="list-style-type: none"> • Anti-Social Behaviour Crime & Policing Act 2014 • Clean Air Act 1993 • Consumer Protection Act 1987 • Consumer Rights Act 2015 • Environmental Protection Act 1990 • Explosives Act 1875, Explosives Regulations 2014, Fireworks Act 2003, Petroleum (Consolidation) Act 1928 			

- Fraud Act 2006
- Gambling Act 2005
- Highways Act 1980 (Section 130)
- Housing Act 2004 Housing Conditions. Inspect houses, take enforcement action.
- Immigration and Asylum Act 1999
- Licensing Act 2003
- Licensing and Management of Houses in Multiple Occupation Regulations 2007
- Noise and Statutory Nuisance Act 1993
- Public Health Act 1936 (noxious matter, verminous articles & persons)

Management and execution of these legal and regulatory requirements need effective administration and prosecution processes underpinned by a robust information solution.

Exempt information:

An appendix to this report is exempt from publication under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to financial or business affairs of any particular person (including the authority holding that information).and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because financial information is based on initial estimates, there is also full breakdown of financial elements of project included and sharing this information would not be recommended as it may prejudice the tender process.

Recommendation(s):

- 1 To delegate authority to the Strategic Director of Community Protection to enter into a 5year (+2year option) contract through an approved Crown Commercial Services framework with the supplier offering best value.
- 2 To approve the expenditure detailed in the exempt appendix

1 Reasons for recommendations

- 1.1 To ensure that the Council can adequately continue to deliver its statutory functions in relation to Community Protection from September 2022.
- 1.2 To comply with Financial Regulations relating to testing the market to demonstrate best value for money is being obtained.
- 1.3 To ensure business continuity for Community Protection and Nottingham City Council with a new supplier contract in place before existing contact and solution expires.
- 1.4 To provide adequate time and resources to replace the existing solution in a seamless and cost effectively way. Note: The replacement solution will require an estimated 18months to install, set up, configure, and migrate to the new system.
- 1.5 To maintain colleague engagement, focus and buy-in to the project. The project started in October 2019 by defining problems, opportunities and requirements. A considerable engagement exercise has considered all market options and has clear recommendations.

- 1.6 To reduce the organisational and community risk of not being able to operate adequate, effective and efficient services as a result of any period of time having to use an unsupported solution.
- 1.7 To pro-actively plan and build services for a post crisis organisation considering changes to regulations and legislation as a result of external treats, COVID and BREXIT, and internal treats, budget pressures and changing city environment.

2 Background (including outcomes of consultation)

- 2.1 Financial Regulations and procedures require the review of contracts and market testing to achieve best value for money. The Council focused on a single supplier for a Regulatory Services system in order to deliver lower prices (through economies of scale) and more operational efficiency (e.g. speedier fault resolution).
- 2.2 Civica APP Flare has been a staple product across local government for Regulatory Services. The current supply contract began in 2006, and has been renewed periodically. Civica announced APP Flare would become unsupported in 2021, however due to delays experienced as a result of the Covid-19 pandemic they agreed to a new 1year contract which now expires 30th September 2022.
- 2.3 The Council's Regulatory Services system (APP Flare) integrates widely with customer service systems, finance, geographical information systems and partner organisations (NCH, Police, Citizens Advice). For these reasons the purchasing process needs to provide a sufficient lead in period to allow any new supplier sufficient time to set up the new inter-connections.
- 2.4 Likewise, these integrated solutions will introduce major changes (e.g. Oracle Fusion) that will require / enforce changes to APP Flare. The real benefits of these changes to integration would be easier to achieve within a new solution than investment in the older solution.
- 2.5 The current digital landscape has changed rapidly during 2020 and the crisis. Advances in digital services and interactions have expanded and become the norm.

3 Other options considered in making recommendations

- 3.1 Do Nothing. Allow APP Flare to fall out of support, but continue usage. This is not recommended:
 - i. This would put NCC at a very high risk; if the system failed, or Central Government changed the legislative framework, NCC would be on our own to resolve.
 - ii. NCC would still have to pay Civica for the intellectual property right to use the unsupported software.
 - iii. The system would become increasingly insecure as it would not be kept up to date with any technical security changes or updates in the computer server or network environment. Citizen, Business and NCC data would therefore be at an increasing risk, especially of data protection breaches, which can result in significant financial penalties under the UK Data Protection Act 2018.
- 3.2 Develop then implement an in-house solution.
 - i. This was rejected as IT Services do not have the requisite resources or time to develop, then maintain such a system.
 - ii. The cost and effort to develop such as solution would out-strip the cost of a product built for market, which is already available and in use within the sector.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 This decision seeks approval to incur expenditure for the implementation of a new system to facilitate the delivery of the Council's Regulatory Services within Community Protection. This implementation is required as the current Flare system will not be supported after September 2022.
- 4.2 The Council will make a direct award and enter into a contact with an approved supplier listed under the Crown Commercial Services (CCS) procurement framework, for a period of 5 years, with an option to extend for a further 2 years. Value for money should already have been demonstrated through this procurement process. The exempt appendix includes a detailed breakdown of the costs.
- 4.3 The costs associated with this project have been included as pressures in the 2021/22 Medium Term Financial Plan (MTFP).
- 4.4 The formal approval of this plan will be after the necessary consultations and will be undertaken by Full Council in March 2021. The revenue budgets and capital programme will be updated post approval. No commitment to spend can be made until the MTFP is approved.
- 4.5 The MTFP includes 3 years of project funding, and from 1 April 2024 the on-going increase in revenue costs (communication / data costs, system licence fee etc) will be funded from reduced property rental costs. The Housing Teams (Selective Licensing - SL & Homes in Multiple Occupation - HMO) are currently based at Isabella Street, for which there is an annual charge of £0.160m covering 40 desks. Pending finalisation of the sale of Isabella Street in early 2021, the team are expected to move to new accommodation.
- 4.6 The new replacement system will allow officers to update records remotely whilst on site, thereby reducing office accommodation required to approx. 10 to 15 desks. Negotiations are taking place with the Council's Property team regarding the annual rental charge in new accommodation. The revised accommodation charge is expected to be in the region of £40,000 - £60,000, giving an approx. saving on accommodation costs of between £0.120 and £0.100m per annum. First call on the accommodation saving will be to cover the increased revenue costs permitting staff to operate in a more effective, efficient and economical manner, and this will be in accordance to Local Government Association (LGA) guidance regarding the calculation of statutory licence fee activities.
- 4.7 In accordance with the licencing legislation any costs associated with the delivery of the service can be attributed to the licence fee which also includes a reduction in costs.
- 4.8 If the property savings are delivered earlier than anticipated these will be used where possible to support the cost of the project replacing funding identified in the MTFP.

Maria Balchin, Senior Commercial Business Partner, 29 December 2020

- 4.9 Section 151 Officer approval for Capital spend was given on 4 January 2021. Clive Heaphy, Strategic Director of Finance.

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

- 5.1 Procurement will ensure compliance with the Council's financial regulations and contract procedure rules. Tender(s) will be conducted in line with EU Procurement regulations 2015 to secure best value for the Council and the citizens it represents. Use of compliant frameworks, such as those offered by Crown Commercial Services, is allowed under clause 3.1.1.3 of the Contract Procedure Rules. On this basis, there are no procurement concerns with the approach.

Mabs Karim Lead Procurement Officer, Strategy & Resources. 23 December 2020

- 5.2 A direct award under a framework agreement such as the Crown Commercial Service relevant framework would fully comply with procurement rules and the Council's Contract Procedure Rules.

Sarah O'Bradaigh Senior Solicitor -Commercial, Employment and Education Legal Services. 30 December 2020

6 Social value considerations

- 6.1 Community Protection is committed to continuing to fulfil its statutory functions to assist the citizens and visitors to Nottingham City to stay safe at work, improve poor housing, improve health outcomes and ensure a safe and clean visitor experience. Any risk to these services, from solution failure and poor performance, must be reduced / removed.
- 6.2 In accordance with the Procurement Strategy objectives of promoting social value, full consideration will be given to maximising the economic, social and environmental benefits during the procurement process; where appropriate, relevant requirements (e.g. improving NCC's responsiveness to Citizen and Local Business, requests for service, and maintenance of inspection regimes) will be included in the service specifications. Services commissioned will add social value by supporting vulnerable citizens, through improved management of and data sharing capabilities in the following areas. Anti-Social Behaviour; Trading Standards; Houses in Multiple Occupation; Environmental Health; Food Standards; Noise and Public Nuisance; Air Quality and Health. A robust, reliable, and rapid response to these Citizen and Business needs are fundamental aims of any replace solution.

7 Regard to the NHS Constitution

Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

The NHS Constitution states in section 2, 'NHS Values' that:

'Working together for patients.

Patients come first in everything we do. We fully involve patients, staff, families, carers, communities, and professionals inside and outside the NHS.

We put the needs of patients and communities before organisational boundaries. We speak up when things go wrong.'

Community Protection has a core partnership role with Health and Social care providers, including NHS, to ensure joined-up working to protect and improve the outcomes to vulnerable people. Integration to a new solution is seen as essential to ensure that information, intelligence, and actions are shared and delivered.

8 Equality Impact Assessment (EIA)

8.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

The aim is to deliver a single IT solution that covers a wide range of CP service functions. There is a strong focus on customer / citizen interactions and the capture, storage, and processing of personal data. Many CP functions deal with sensitive issues, such as anti-social behaviour information. Therefore, monitoring and measuring of equalities are seen as essential.

9 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

9.1 None

10 Published documents referred to in this report

10.1 None