

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2431

Author:

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Department:

Resources

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Subject:

3 year (+1 +1 optional extention) Income Management Enterprise Licence

Total Value:

300,000 (Type: Capital and Revenue)

Decision Being Taken:

To enter into a call-off contract under an existing Crown Commercial Service framework arrangement with Civica for an enterprise licence in conjunction with the Council's corporate income management system for a 3 year period with 2 options to extend for a further year.

Reasons for the Decision(s)

The Crown Commercial Service (CCS) have confirmed that under the framework 'Local Authority Software Applications' (Contract ID: RM1059) lot 2, Nottingham City Council is able to direct award this licence to Civica without the requirement to complete a mini tender. This is due to the enterprise licence which the Council is procuring being available on the Government eMarketplace as per the direct award requirements set out on the CCS website i.e.:

'For direct award an online catalogue is available for direct purchases via the Government eMarketplace'.

Customer Experience - Methods of Payment
 The existing income management arrangements offer limited methods of payment. Technology is accelerating change in this area and whilst there is existing capability for taking credit and debit card payments, there is no capability for recurring card mandates (useful as an alternative to Direct Debits for recurring payments) or other methods such as Paypal and, in the future, Apple Pay.

Customer Experience - Channel Shift
 In order to encourage citizens to use online channels, payment portals need to work on mobile devices as effectively as computer screens and give users confidence in the establishment to which they are committing their card details - this is integral to continuing the move away from cash and cheques. The existing income management arrangements deploy an online payment channel that offers a basic experience and the web page is not scalable for mobile devices. In addition, the portal is provided by Capita and, as such, is not integrated with the remainder of the Civica ICON functionality.

Financial Process Efficiency
 We currently have a multitude of systems and processes for income management, which creates lots of issues:

Cash collection is often transferred into service accounts after manual reconciliation several periods after payment received, Many front-line payment systems do not interface with Oracle directly or indirectly and therefore payments are manually journaled, thus do not appear on dashboards consistently,

Bespoke interfaces are created for systems that do interface, this requires knowledge of requirements from each system individually, Bank reconciliation is manually intensive due to the number of disparate sources and lack of consistency of fields within in the data. Once approved the Capital programme will have to be updated to include the £270,000 capital expenditure.

Briefing notes documents:

Civica Business Case [For Information - Not for Publication].docx

Other Options Considered:

Do nothing - continue with the existing suboptimal processes and consequent process inefficiency.

Purchase individual Civica ICON components - those components required include Hosted Bank Rec, E-returns, E-store, Mobile E-store and recurring card mandate

Terminate Civica ICON contract early and re-tender Income Management System - this option introduces a delay to undergo procurement. It potentially contentious given the existence of a 3 year contract with Civica.

Background Papers:

None

Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Consultations:	Date: 16/03/2016 Other:EMSS Strategic Group Discussed and agreed the business case.
	Date: 17/12/2015 Chief Finance Officer:Geoff Walker Geoff Walker was initially consulted in December regarding this project and has received regular updates.
	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	Not applicable
Equality:	EIA not required. Reasons: The decision does not relate to new or changing policies or functions
Social Value Considerations:	Not applicable
Major Implications for IT:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	26/04/2016
Advice Sought:	Legal, Finance, Procurement, IT

Legal Advice:

This report does not raise any significant legal issues provided the contract is awarded in accordance with the terms of the CCS framework. The Legal Services team can provide assistance as necessary to the Finance and Procurement teams to ensure the call-off order form is completed in accordance with the framework conditions. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 21/03/2016.

Finance Advice:

The value of the decision is £0.300m. The amount comprises capital expenditure of £0.270m to be incurred in 2016/17, and revenue expenditure of £0.010m per annum to be incurred over a 3 year period commencing in 2016/17. Capital expenditure includes the purchase of the licence agreement and the costs of associated project management support. A contingency of £0.051m is included in the total estimate for capital expenditure. Revenue costs relate to the ongoing software maintenance required as part of the licence agreement.

Note that options to extend this agreement at a cost currently estimated at £0.050m per extension do not form part of this approval. Pursuing these options will require separate approvals and funding solutions.

Capital expenditure of up to £0.270m will be met from uncommitted balances within the IT Efficiency Fund subject to the approval of a funding bid for the use of this reserve. Revenue costs of £0.010m per annum for a period of 3 years will be met from existing revenue provisions for software maintenance within Resources Strategic Finance. Any revenue costs extending beyond the period of this agreement will need to continue to be met from existing revenue provisions.

Key risks associated with this proposal have been identified as those relating to effective project management and timely implementation of the proposal. The means by which these risks may be mitigated has been addressed in a supporting Business Case but financial consequences of delays in implementation cannot be quantified from information available at present.

Any savings achieved by implementing this proposal will support the delivery of savings targets within Resources Strategic Finance as incorporated in the Medium Term Financial Plan.

Value for money in terms of cost will be secured via the proposed procurement process set out in the Procurement Advice. Wider value will be achieved through improvements to the Council's interface with citizens in support of the Council's Citizen First policy.

Advice provided by C I Sharpe (Finance Analyst) on 21/03/2016.

Procurement Advice:

The Crown Commercial Service Framework provides an EU compliant tender process and represents value for money. The Framework allows for the award of a contract directly to Civica without the need for a further competition. Procurement Team supports this recommendation. Advice provided by Mabs Karim Procurement Officer) on 24/03/2016.

IT Advice:

The IT Service supports this proposal to purchase an Enterprise Licence because it will deliver the following benefits to the Organisation:-

- a. It will allow recurring payment mandates for credit and debit cards.
- b. Payment by other methods such as Apple Pay, Paypal etc
- c. A more enhanced user experience for mobile devices.
- d. Reduce the complexity of systems and reconciliation processes required for Income Mgt.

Winston Smillie
Supplies and Contracts Manager- IT Strategy and Security 24 March 2016

Advice provided by Anne Clarke (Team Leader) on 24/03/2016.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 19/04/2016
Glen O'Connell (Acting Corporate Director of Resources)
SIGNED and Dated: 07/04/2016