

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2610

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Department:

Resources

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Subject:

Purchase of Civica Software with House of Multiple Occupancy and Mobile Modules

Total Value:

£350,507 (Type: Capital and Revenue)

Decision Being Taken:

1. That the total cost of £350,507 be met from the IT Revenue budget (£198,507) and the IT Efficiency Fund (£152,000). Overall there will be net monetary savings of £20,853 (Ref Appendix A) over the five year life of the contract.
2. In accordance with financial regulation 3.29 to dispense with the provisions of the contract procedure rules relating to tenders and agree to the proposed three year (with option 1 + 1 years extension) contract with Civica UK for the provision of Flare licences, HMO and mobile modules and their corresponding maintenance.

Reasons for the Decision(s)

Flare is a computerised case management system which has been in use by the Council since 1998. Currently this system is used to record and process the requirements (statutory/non statutory) of Taxi licensing, Trading Standards, Health and Safety, Environmental Health, Processing and Enforcement, Houses in Multiple Occupancy, Licensing (Pubs/Clubs) etc.

The current software maintenance cost for the Flare system is £48,262 per annum, however, if we re purchase the 112 licences being used presently, from the Crown Commercial Services Local Authority Software Application (LASA) Framework the yearly maintenance cost will reduce to £27,201 per annum and thus give us annual savings of £21061 (Ref Appendix A). Further, due to the pricing structure of the Framework we also receive an additional eight licences free of charge.

At present the licence system for House of Multiple Occupancy (HMO) is not fully computerised and this means that landlords applications are slower to process, requires more staff time, more prone to errors etc. By purchasing the HMO software module - the cost including implementation being £94,500 - we will be able to introduce a fully online processing system whereby landlords will be able to make licence applications, load up the supporting documents and pay for it all in one process. The cost of the licensing system is recoverable through HMO landlords' fees and we will be able to recover over five years, 90% (or £130,050) of the costs incurred by the Council. However, there is a potential risk in that if there are legislative changes during the five year licensing cycle which ends the current licensing system, then the entire costs will not be recoverable through the fee for the remaining period of the five years.

The reason for purchasing the mobile software is to deliver greater efficiency by reducing the number of occasions that staff will need to visit the office in order to input and update the system.

The investments in Flare, over the past eighteen years, for software licences, staff training, IT hardware and support have been considerable. It should be noted though that the Council uses a similar system (ldox) for building, planning etc. and work was recently carried out to ascertain whether it would be beneficial to only have a single system. The conclusions though were that the two systems specialised in different areas, the cost of writing off the investments (licence, staff training), purchase of new licences, monopolistic position of a supplier etc. did not make this a cost effective option.

Briefing notes documents:

APPENDIXACIVICFLAREBUSINESSCASE30816 (4) (6).xlsx

Other Options Considered:

Do nothing is not a cost effective option as the existing software maintenance cost is £48,262 per annum and by repurchasing new licences (at a cost of £50,000) under the Crown Commercial LASA Framework, the maintenance cost will reduce to £27, 201 per annum and thus give us savings of £21,061 per annum. The overall business strategy is to deliver services more efficiently and effectively and the move to online processing and mobile working will deliver this objective. However, investments will need to be made in the HMO (landlords will be able to apply, load up the necessary and pay the fees in one transaction with limited input from Council staff) and mobile modules.

Background Papers:**Published Works:**

Affected Wards: Citywide

Colleague / Councillor Interests:

Dispensation from Financial Regulations: Yes

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: Not Applicable

Equality: EIA not required. Reasons: EIA is not required as there are no changes in the current service and it would be disproportionate to carry one out.

Major Implications for IT: Yes

Decision Type: Portfolio Holder

Subject to Call In: No
The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

Person Consulted: Cllr Parbutt
Consultation Date: 22/09/2016
Presently there is a business requirement to purchase from Civica two additional software modules, terminate the existing contract and sign a new consolidated contract. On the 8 Aug. 2016 Civica offered to discount their quoted price by £98,785 and by consolidating under a new 3+1+1 contract we would also achieve further savings of £20,853 over five years. The only condition to this offer was that there had to be a signed contract on this matter by their financial year end date of the 30 Sep. 2016.

Advice Sought: Legal, Finance, Procurement, IT

Legal Advice:

Civica is the only licensor of this software on the CCS framework. It is considered that that the procurement is compliant with Regulations. It is important that the existing licence is terminated properly so that the Council does not pay the licensing fee twice (i.e. under the old and the new licence) and to reap the savings from 1st October the date Civica has agreed that the existing licence may be terminated. Otherwise the transition will be delayed.

It is not considered that the procurement gives rise to significant legal concerns. Legal has already assisted will be available to further this procurement. Advice provided by Brian Lewis Stewart (Solicitor) on 31/08/2016.

Finance Advice:

This DDM requires £152k in 2016/17 from the ITEF of which £85k will be repaid over 5 years by the HMO, this would leave a net cost of £67k to the ITEF. There are sufficient funds within the ITEF to cover this expense.

This DDM also requires an additional cost of £12.5k which will be offset by a combination of income from the HMO £10k and a net software maintenance contract saving of £21k, providing an overall net annual revenue saving of approximately £18k. This saving is intended to remain as an IT Revenue saving.

If insufficient income is received from the Landlords, Community Protection will be responsible for finding alternative means to repay the ITEF and IT Revenue as the table shows.

See uploaded Finance Advice Document for profiling of income and expenditure.

Advice provided by Chanelle Poyser (Commercial Business Partner) on 26/09/2016.

Advice documents: Purchase Civica Software with HMO and Mobile Modules DDM Comments.docx

Procurement Advice:

This report seeks approval, using clause 3.29 of the financial procedure rules on grounds of operational issues to dispense with the requirement under clause 5.1.2 under the contract procedure rules to seek tenders. If dispensation is granted, then the requirements of the contract procedure rules will be satisfied and there will be no procurement concerns. Having discussed the IPR indications, the background and the desired outcomes of the project with the service area, procurement supports this proposal. Advice provided by Rosalie Parkin (Category Manager) on 20/09/2016.

IT Advice:

The IT Service supports this proposal. The Civica Flare system has been used by the Council for a number of years and business users have confirmed their satisfaction with it as a management information system. This approach will confirm a licensing base for the system for the next 3 - 5 years. The proposals in this delegated decision represent a change in licensing arrangements not any change in the technology employed. Advice provided by Paul J. Burrows (IT Change, Projects & Strategy Manager) on 25/08/2016.

Signatures

Graham Chapman (PH for Resources and Neighbourhood Regeneration)
SIGNED and Dated: 29/09/2016
Glen O'Connell (Corporate Director for Resilience)
SIGNED and Dated: 29/09/2016

Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 28/09/2016
Chief Finance Officer's Comments: