

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

DD2742

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Department:

Resources

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Subject:

Buyout of Leased IDOX Software

Total Value:

£90,000 (Type: Capital)

Decision Being Taken:

1. To approve the total lease buyout costs, for the ORB-it element, of the IDOX Software. The buyout costs of £90,000 will be met from the IT Revenue budget.
2. To note the savings of £94,301 (over a five year period) resulting from the lease buyout of the ORB-it element of the IDOX software.
3. To dispense, in accordance with Financial Regulation 3.29, with the provisions of the contract procedure rules relating to tenders (5.1.2)

**Reasons for the Decision(s)**

The IDOX Uniform software suite is the main business system used by Planning, Building Control, Property etc. and it is used for the processing of planning and building regulations applications and maintenance of statutory registers of applications. Property Records also use it for the storage of information relating to Council ownership of land and property, and it is additionally used to store the council's corporate address database, the Local Land Property Gazetteer (LLPG - containing the addresses of all the buildings within the City boundary), with links to numerous other databases.

The IDOX software is an established product which is widely regarded as being the market leader with a substantial user base of local authorities throughout the country. The Council have been using this software for the past eleven years and currently there are no plans to move away, during the next five years, to an alternative software product.

Every year the Council must purchase the IDOX software support in order to receive technical support, updates, etc. for this system. The costs of purchasing and migrating to suitable alternative software solutions would be substantially in excess of the annual maintenance costs for IDOX, as we would incur re licensing, consultancy, data conversion, training and staff costs.

IDOX Software Ltd has agreed that the Council can buyout the leased (Orb-it and DIP interface licences) element of the software for a one off price of £90,000. If the IDOX offer is accepted by the Council it would deliver yearly savings (ignoring the potential inflationary price increases) of at least £33,484 per annum, with accumulated savings over five years of £94,301 (Ref Appendix A). This savings would give a return of 37.2% pa and a payback of 2 years 7 months.

It should be noted that, only Idox Software Ltd has the intellectual property rights for the ORB-it element of the IDOX software and this means that the lease buyout of this element of the software cannot be tendered for. In the circumstances it is proposed, in accordance with financial regulation 3.29, to dispense with the provisions of contract procedure rules relating to tenders for the lease buyout of ORB-it.

**Briefing notes documents:**

costbenefitleasebuyout141216.xlsx

**Other Options Considered:**

**Do nothing**

The 2017/18 software maintenance cost for the IDOX system will be £82,734, payment for which will occur in March 2017. If the Council did nothing this entire sum would be paid (annually in advance) to IDOX for the yearly maintenance of the system. However, if the Council exercised the lease buyout option - the cost of which is £90,000 - on the Orb-it element of the IDOX software, next year's (2017/18) and succeeding years software maintenance cost would be reduced to £49,250 per annum (ref Appendix A). The overall effect of the buyout therefore is to deliver gross savings, in the first year of £33484 and by the fifth year it will deliver net savings (after recovering the capital outlay of £90,000) of £94,301. Further as this is a fixed price contract for the next five years we will also not pay any inflationary increases for this software. The cost of doing nothing therefore is a five year net loss of £94,301 and for this reason the option is not considered.

**Background Papers:**

**Published Works:**

**Delegated Decision Number 2333 Software Maintenance Renewal for 11 systems 2016.**

**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:**

**There are no crime and disorder implications.**

**Equality:**

**EIA not required. Reasons: The buyout of part of the IDOX software will have no equality impact on colleagues and citizens.**

**Major Implications for IT:**

**Yes**

**Decision Type:**

**Portfolio Holder**

<b>Subject to Call In:</b>	Yes
<b>Call In Expiry date:</b>	01/03/2017
<b>Advice Sought:</b>	Legal, Finance, Procurement, IT
<b>Legal Advice:</b>	<p>This purchase does not give rise to serious legal concerns.</p> <p>Legal will be able to assist with the legalities of the buy-out. Advice provided by Brian Lewis Stewart (Solicitor) on 03/02/2017.</p>
<b>Finance Advice:</b>	<p>The cost of this decision is £90,000 although it should be noted that this is the upfront cost of the buyout. Savings totalling £184,301 will accrue for the following five years giving a net saving of £94,301 over the period. The cost can be met from existing funding available within the MTFP.</p> <p>In these circumstances the dispensation from contract procedure rules is appropriate.</p> <p>Advice provided by Ian Greatorex (Finance Project Manager) on 26/01/2017.</p>
<b>Procurement Advice:</b>	<p>The report author and client department have already contacted procurement regarding this delegated decision, as a large number of software maintenance contracts which are renewed on an annual basis have been subject to scrutiny by a project group this year. The option of changing the terms of an existing agreement in order to secure ongoing savings (after the initial payback period) is supported by procurement and therefore there are no significant concerns with this approach given the long term strategy of the Council with regards to this system. Advice provided by Rosalie Parkin (Category Manager) on 05/01/2017.</p>
<b>IT Advice:</b>	<p>The IT Service support this proposal.</p> <p>The IDOX system is reliable from a technical perspective and conforms to the technical standards of the Council.</p> <p>Advice provided by Paul J. Burrows (IT Change, Projects &amp; Strategy Manager) on 07/02/2017.</p>
<b>Signatures</b>	<p>Graham Chapman (PH for Resources and Neighbourhood Regeneration)</p> <p>SIGNED and Dated: 22/02/2017</p> <p>Candida Brudenell (Corporate Director for Strategy and Resources)</p> <p>SIGNED and Dated: 22/02/2017</p> <p>Geoff Walker (Strategic Director Finance/CFO) - Dispensation from Financial Regulations</p> <p>SIGNED and Dated: 21/02/2017</p> <p>Chief Finance Officer's Comments: for the operational reasons contained in the report</p>