

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

*PART 1 – PUBLIC DOCUMENT

Any interest to declare/ or conflict and any dispensation granted *[if applicable]: None*

SERVICE DIRECTORATE: *Resources*

1. DECISION TAKEN

Decision to award a contract to Technology One Limited for the provision an integrated Financial Management and Income Management Software for a period of 10 years with the option to extend for a further 5 years.

2. DECISION TAKER

Ian Couper – Service Director, Resources

3. DATE DECISION TAKEN:

28/09/2023

4. REASON FOR DECISION

4.1 Technology One Limited provided the most economically advantageous bid for the Council, following an Open Procurement procedure.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 We could have looked to extend contracts for the current software that we have. However, it had become clear that they were not offering the levels of automation that we were after, even after carrying out upgrades to their latest versions. It had also become clear that there would be significant cost increases from continuing with one of the current pieces of software, as the current contract was let 10 years ago and did not have any inflationary increases over that time.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

6.1 The Executive Member for Finance and IT has been consulted on this decision. Cabinet (19/09/2023) and Council (28/09/2023) have approved the Capital spend of £200k in 2023-24 .

7. FORWARD PLAN

7.1 The award of the contract (due to the overall value of the contract) is a key executive decision (although it is delegated to Officers) and this was first notified to the public in the Forward Plan on the 26/05/2023.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

8.1 The Council has two main pieces of software that currently make up the overall system that enables it to record and manage payments, income and other financial transactions. These are:

- Integra Financials (Centros)- a financial management system that records transactions to enable payments, budget-setting, budget management and financial reporting.
 - Civica Pay- for the collection and management of payments. This includes enabling customers to make payments on our website and over the phone.
- 8.2. The Council has had various iterations of the Integra software since 1998 and Civica since 2013. All of the transactions within Civica need to be integrated into Integra. There are currently a number of processes in place to enable this. This provided a driver to look for a solution that was either one piece of software or separate software that had complete integration. Market research had also identified that alternative options would offer other advantages in relation to user experience, customer experience, other process automation and improved reporting.
- 8.3. Integra is hosted on-site and has its own on-site server. This comes with infrastructure and IT staff time costs. The IT strategy states that we should be aiming to move to cloud hosted software.
- 8.4. As a result of these drivers for change, we started a procurement project in April 2023. At that time the expected costs were unknown (especially the split between revenue and capital costs), so were not incorporated in to the 2023/24 budget.
- 8.5. The tendering process resulted in bids from 3 suppliers, and all 3 suppliers were invited to provide full demonstrations of their products. The scoring of the contract was based on 60% quality (including 10% for the demonstrations), 30% price and 10% social value. There was a requirement for all suppliers to meet a minimum threshold score across all of the various sub-components of the software.
- 8.6. The winning bidder scored more highly across all the areas for evaluation, providing the Council with the most economically advantageous bid.
- 8.7. The winning solution will have a small increase in the current revenue (annual) cost. This can be covered with staff savings that have already been identified. As it is a new system it will require up-front development work. It is estimated that this will be around £200k, but will depend on the number of hours work required. This cost can be capitalised. The initial contract period is 10 years, so even writing off over that period would equate to an equivalent annual cost of £20k. It is fully expected that further cashable savings will be delivered which will off-set this amount (e.g., in IT infrastructure costs and staff time when vacancies occur). There will also be non-cashable savings from other process efficiencies that reduce the time spent on current tasks. It also avoids increases in the cost of the current software.

9. LEGAL IMPLICATIONS

- 9.1. As the contract value is above the WTO GPA threshold, the Public Contract Regulations 2015 apply, which was the reason for selecting an Open Tender Process.
- 9.2. Under 14.6.12 (a) (i) the Service Director- Resources will “manage, direct and control all resources allocated to the Directorate in accordance with the Council’s policies”. Under 14.6.4 (a) (ii) of the Council Constitution, Service Directors have a general authorisation for “entering into contracts to carry out works and/or for the supply of goods and services within approved budgets”.
- 9.3. Legal will assist the Officer in preparing the final form of contract.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed in the report the revenue (annual) cost of the new software contract is slightly higher than the current software contract costs and budget. The increase can be covered by already identified savings that arise from process efficiencies.
- 10.2. There is an implementation cost that is estimated at £200k. This cost can be capitalised. Council have approved that this is added to the 2023-24 capital programme.

11. RISK IMPLICATIONS

- 11.1 The implementation of a new finance system is a significant piece of work. The provider will be required to carry out all the technical work, but it will still require significant input from relevant officers. There is a risk that there will be complications with the implementation, but these are mitigated by the positive references that we have received. The implementation of the new software will be over a period of 12 months up to Autumn 2024.

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no known equalities implications relating to this decision.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The recommendations in the report are linked to a contract above £50,000. Social Value was incorporated in to the contract with an assessment weighting of 10%. The winning provider has agreed to provide the following Social Value:
- 10 hours per annum of free IT/ Financial advice provided to the voluntary sector and small businesses, with a focus on supported disadvantaged young people.
 - Donated equipment up to the value of 5% of the Annual SaaS Fee per annum. utilising their purchasing power to buy and donate equipment to the voluntary sector within North Herts.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that are likely to apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There will be some staffing efficiencies that will be enabled following the full implementation Some of the efficiencies that will be delivered as part of this decision are expected to be a reduction in staff hours. These are generally expected to be managed through not filling vacancies when they arise, but, if necessary, the Council's reorganisation policy will be applied. There are also expected to be small time savings for other Officers that then give more time to complete other tasks.

16. BACKGROUND PAPERS

- 16.1 *None*

17. APPENDICES

- 17.1 *None*

NOTIFICATION DATE

29 September 2023

Signature of Executive Member Consulted

Date

Signature of Decision Taker  **.....**

Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.

Call-in does not apply to NON-EXECUTIVE DECISIONS