

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

PART 1 – PUBLIC DOCUMENT

SERVICE DIRECTORATE: CUSTOMERS

1. DECISION TAKEN

To award a five-year contract to NEC Software Solutions UK Ltd at a total cost of £1,038,075, for the provision of Business Application Solutions being Services and software Support and Maintenance under Framework Agreement RM6259 Lot1.

2. DECISION TAKER

Jo Dufficy, Service Director - Customers

3. DATE DECISION TAKEN

25th March 2024

4. REASON FOR DECISION

- 4.1 To consolidate Revenues and Benefits Support and Maintenance costs provided by NEC Software Solutions UK Ltd at a fixed value for a 5-year period.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 There are only 3 key providers of a comprehensive Revenues and Benefits operating system that deliver the services required for the collection of statutory taxes and distribution of Housing Benefit and Council Tax Reduction.
- 5.1.2 In 2023 we carried out soft market testing and concluded that it was in the Councils best interest to continue with the existing software and procure a new contract with NEC via a framework.

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

- 6.1 The Executive Member and Deputy Executive Member for Finance and IT have been consulted.

7. FORWARD PLAN

- 7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

8. BACKGROUND/ RELEVANT CONSIDERATIONS

- 8.1 NEC provides Revenues and Benefits with a well-established and stable operating system that is a market leader within the Revenues and Benefits environment. The operating infrastructure and software have been developed and enhanced to cater for changes to legislation and technology advances.

- 8.2 The current Revenues and Benefits processing software has been operational since the move away from an ICL Mainframe in February 1996. Since the initial software installation and data conversation; subsequent changes to the processing system as well as legislative changes have seen the software mutate and grow exponentially into a multifunctional complex product. The introduction of automation from Government Departments have added to the complexity. The operating platform and database infrastructure that facilitates the functionality of the software is also constantly changing to accommodate enhancements, security fixes or version changes.
- 8.3 NEC have approximately 160 Revenues and Benefits customers. This is over 50% of existing user base. 26 of the top 30 top performing councils are NEC customers. NEC are multiple award winners and are at the forefront of technology developments.
- 8.4 The Council has been satisfied with the performance of the Revenues and Benefits software. The timely release of software upgrades that cater for Legislation changes as well as system enhancements have established a good working relationship with the NEC Support Desk and Consultancy teams.
- 8.5 The Support and Maintenance costs relating to the core processing systems and the additional processing modules are paid annually. The start and end dates of the Support and Maintenance contracts are dependent on when the software was purchased. Therefore, currently there is no single date on which all the support and maintenance contracts start and end.
- 8.6 In 2023 a soft market test was carried out and this included consideration of the financial cost and risk of converting to another provider. It was concluded that the overall financial cost and risk to move away from NEC would be too great.
- 8.7 It is in the Council's interest to ensure the processing of Council Tax, Business Rates, Council Tax Reduction remains continuous without any delay due to errors or software problems. It is also in our interest to allow customers greater flexibility in how they communicate with us. Providing intuitive online solutions will encourage our customers to move away from traditional methods of communication.
- 8.8 Since 1996 the Council has invested heavily in adapting and developing the current Revenues and Benefit software to ensure it complies with current Revenues and Benefits legislation that provides an efficient and effective service. We have remained progressive in ensuring we utilise our resources as efficiently and effectively as possible.

9. LEGAL IMPLICATIONS

- 9.1. Section 14.6.4 of the Council Constitution provides delegation to service directors and states at section 14.6.4 (a) (ii) and is therefore non-executive:
- “Entering into contracts to carry out works and/or for the supply of goods and services within approved budgets (subject also to approval of the Service Director for: Customers in respect of software or hardware contracts). All may attest the fixing of the Common Seal to a contract or Deed;”*
- 9.2. This procurement is via a direct award through a Framework.
- 9.3 Legal will assist officers with the Contract and will ensure that the Contract is properly executed and completed.

10. FINANCIAL IMPLICATIONS

- 10.1 The current annual cost for all NEC Revenues and Benefit products is £201,096.16, plus a support and maintenance uplift each year.
- 10.2 Entering into a 5-year overarching Support and Maintenance contract will cost £1,038,075. This overall cost is fixed and will avoid annual uplifts. This will be paid annually over the 5-year term.
- 10.4 The cost avoidance of annual uplifts over 5 years will be in the region of £98,000.

11. RISK IMPLICATIONS

- 11.1 Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.
- 11.2 There is no known risk associated with awarding a new contract to the existing supplier as the NEC Revenues and Benefits processing system is known to deliver the services required.
- 11.3 There would be a substantial risk in moving away from NEC to a system that may not be as efficient and effective unproven in delivering statutory services in accordance with prescribed procedures and requirements.

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 impacts or requirements that apply to this report.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 Th Go Local policy does not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

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

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There would be no human resource implications in remaining with the current supplier as the system is performing all relevant tasks.
- 15.2 There would be a significant human resource implication in changing suppliers, including but not limited to, undertaking a scoping exercise, data migration, configuration, user testing, user training, and ongoing maintenance.

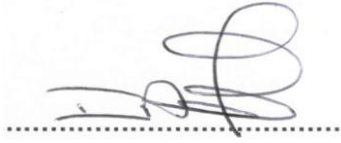
16. BACKGROUND PAPERS

- 16.1 None

NOTIFICATION DATE

Thursday 05 April 2024

Signature of Executive Member Consulted

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Date 28 March 2024

A handwritten signature in black ink, featuring a series of connected loops and a long horizontal stroke.

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.

This is a Non-Executive Decision and these requirements therefore do not apply, the decision being immediate upon signature.