

<b>Decision maker:</b>	<b>Cabinet member finance, housing and corporate services</b>
<b>Decision date:</b>	<b>Friday 2 March 2018</b>
<b>Title of report:</b>	<b>Civica application maintenance license provision</b>
<b>Report by:</b>	<b>Assistant director communities</b>

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

## **Wards affected**

(All Wards);

## **Purpose and summary**

To agree licences for support and maintenance of the Application Public Protection system (APP) for a further 3 years under the existing contract with Civica. These 3 years will provide adequate time to enable further market testing, produce and agree a strategy going forward, enter and complete any procurement process and implement any required new IT applications.

## **Recommendation(s)**

**That:**

- (a) the council continue to maintain licences and support for the APP application with Civica under the terms of the existing contract, which is rolling with annual renewals, for a further 3 years at a cost of no more than £54k pa, with the ability to**

**terminate at any time by giving 3 month's notice.**

## **Alternative options**

1. **To retender:** A soft market test using FOI (freedom of information) data from other local authorities was undertaken in December 2016 in order to compare the viability of similar systems in the market place. The result of this assessment indicates that a number of different systems would have to be acquired to replace Civica in order to meet the operational requirements of business. This would introduce a significant cost of change which would exceed the £1.2 million cost of the initial contract. This option is therefore not recommended.
2. **Non-renewal of Civica licenses:** This is not recommended as the council would have to cease using the software to remain compliant with the licence agreement. The application is used by a number of council departments including, planning, conservation, environmental health, strategic housing, licensing and waste. The application is used to manage engagement with residents covering a broad range of services.

## **Key considerations**

3. In 2008 Deloitte were commissioned to procure and implement a public protection system (software that manages planning, building control, conservation, waste, environmental health, licensing and private sector housing). This was successfully implemented in 2009. The total cost of the contract was circa £1.2 million which included the implementation of the system and associated licences plus annual support and maintenance on the system renewed annually at an initial cost of £49k pa, subject to RPI, unless terminated by either party.
4. In 2014 a three year renegotiation to cap the price of support and maintenance was agreed with Civica, committing the council to a reduced rate for three years with support and maintenance on a rolling annual basis in line with the contract.
5. A soft market test was undertaken in December 2016 to ascertain the viability of continuing to use the Civica APP within the council. The following products / suppliers were selected from the SOCITM (Society of IT Managers: Society for IT in Local Government) list of applications and assessed: Tascomi; Salesforce; IDOX Uniform; Northgate ASSURE; and Microsoft Dynamics.
6. From this analysis no one system could provide the council with the functionality to consolidate environmental health, trading standards, planning, and building control processes and hence benefitting from lower support and maintenance overheads. Moreover, the findings suggest it would be considerably more expensive to implement multiple systems to provide this functionality when compared with continuing with support and maintenance of the existing system. The cost of buying into a new product as well as the cost of change would exceed the £1.2 million cost of the initial contract, this includes implementation costs for training, systems configuration / installation, project management, support and resourcing. The council's IT Strategy provides a 2 guiding principles that are relevant to this issue: Only one software application will be used to provide a specific area of functionality and the development of the core business management, social care, children's and planning / public safety systems have created systems fit for purpose. The approach will be to reuse these systems for new requirements when possible, then purchase where available, while building software would be a last resort.

7. The council has also made a significant investment in integrating Civica APP with other applications, including the web; there would be considerable effort and additional cost required to de-couple this highly complex environment.
8. In addition to the soft market test, ICT have conducted an assessment of Civica IQ system, which is proposed as the latest upgrade offering from Civica. This product is still very much in a development phase without a clear roadmap of when it will be fully released into the market place, however this may well inform potential next steps in direction.

## **Community impact**

9. If the Civica APP is not available to council staff it would adversely affect services provided to the residents of Herefordshire, with the council not being able to fulfil its statutory obligations in both planning, building control and public safety management.
10. The recommended approach seeks to maintain the standard of service expected cost effectively, supporting achievement of the corporate plan priority to secure better services, quality of life and value for money.

## **Equality duty**

11. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
12. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

13. Current charges pa £54k are included in revenue budgets for 2018/19.
14. Charges over the three year period are expected to be £160k and includes an RPI uplift. The charges have been accounted for in ICT budgets for each financial year respectively.

## **Legal implications**

15. The contract provided for an annual renewal for application support and maintenance. This Report recommends continuing with the license, as permitted by the contract, for a further period of three years.

16. The council is under an obligation to secure best value in the discharge of all of its functions. Retendering the council's business requirements periodically, and in accordance with relevant procurement law, is an effective means of ensuring best value is achieved. Accordingly this Report proposes a retendering exercise in 3 years' time.

## Risk management

17.

Risk / opportunity	Mitigation
There is a risk of loss of service provisioning to the public	Renewing the license ensures continuity in support and maintenance.
Cheaper options by other provider.	Soft market test illustrates no like for like offer available on the market. This will be reviewed again before the three year extended period expires.
Additional costs in year.	"No more than" amount for the annual contract.

## Consultees

18. The political group leaders have been consulted and no comments have been received.

## Appendices

None.

## Background papers

None identified.