

Eden District Council

Executive

21 July 2020

Council

30 July 2020

## ICT, Digital, Development Management and Finance Systems

<b>Portfolio:</b>	Resources Portfolio Holder
<b>Report from:</b>	Interim Director of Corporate Services
<b>Wards:</b>	All Wards
<b>OPEN PUBLIC ITEM EXCEPT FOR APPENDIX A which is exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972</b>	

### 1 Purpose

- 1.1 To incorporate appropriate budgets for the development of the Digital Platform, purchase and implement the new Development Management System and new Financial Management System.
- 1.2 To award a contract for the provision of a replacement IT system covering the following Council functions. Planning, Building Control, Land Charges, CIL (Community Infrastructure Levy), Planning Policy and Section 106 Agreements.

### 2 Recommendation

#### Executive

- 2.1 Recommend to Council that the additional budget requirements set out in the report and detailed in the Part II appendix, Development of the Digital Platform and support purchase and implement a new Development Management System and Finance System be approved, and
- 2.2 Recommend to Council that subject to the approval of the budget at recommendation 2.1 to award the contract for Development Management and associated software to DEF Software Limited.

#### Council

- 2.3 Approve the additional budget requirements set out in the report and detailed in the Part II appendix, Development of the Digital Platform and support purchase and implement a new Development Management System and Finance System be approved, and
- 2.4 That subject to the approval of the budget at recommendation 2.3 to award the contract for Development Management and associated software to DEF Software Limited.

### 3 Report Details

#### Development of the Digital Platform

- 3.1 The digital platform underpins a number of key services for the Council such as the contact centre operation, online digital forms and My Account. It needs to be further developed to include enhancements that are necessary to help the delivery of the One Eden transformation programme. Improving the capability of the Digital Platform will allow more advanced digital processes to be implemented.
- 3.2 This report focuses on three most urgent elements however as the One Eden programme progresses other developments will be identified through the Service Redesign work. The elements needing to be progressed are:
- integration with corporate document management system;
  - integration with the cash receipting system; and
  - integration with the Geographic Information System.
- 3.3 The additional functionality will enable us to develop ways of working that will allow customers to use digital processes to interact with the Council and help make our processes used to deliver services, more efficient.
- 3.4 The additional budget requirements for the areas described above are set out in the table below.

Capital Budgets	2020/21
	£
Integration with Cash Receipting	4,000
Integration with Document Management	20,000
Integration with Geographical Information System	5,000
<b>Total Capital Budget</b>	<b>29,000</b>

- 3.5 This development is a shared with South Lakeland District Council (SLDC). This improves the buying power and also shares the costs across the two Councils to ensure value for money.

#### Development Management System

- 3.6 In April 2016 the Council approved a project to procure and implement a new Planning and Building Control system jointly with SLDC. The report formed part of the delivering services electronically project.
- 3.7 The original plan was for the project to be delivered through a specified supplier, which ultimately has not proven possible.
- 3.8 A cost benefit analysis was completed at the time and the shortcomings of the existing system set out in detail. The anticipated cost to Eden was £111k, although the split between Revenue and Capital wasn't clear.

- 3.9 The Councils remain committed to the project and a new procurement route was sought to identify a new supplier. However it has recently become clear that no budgets were ever incorporated in to either the Capital Programme or Revenue. This will need to be rectified prior to consideration of awarding the tender, however the costs can be used to inform the necessary budgets.
- 3.10 The procurement route for the new IT system covering Development Management and associated software is through the Crown Commercial Services Data and Application Solutions Framework (RM3821) Lot 2B.
- 3.11 The Framework provides access to a range of software-led office systems covering services for the public sector including software licenses, associated hardware, app-related consultancy services, software support and maintenance. Lot 2B of the framework specifically covers software related to Environment and Planning.
- 3.12 There are 15 suppliers included in Lot 2b of the framework and as such all had the option to respond as part of the procurement process. However we received only one response to the tender invitation.
- 3.13 We have been through a comprehensive evaluation process, to ensure the system meets the requirements of the service and represents good value for money. This included system demonstrations and calls to other users of the system to validate that it is working well in other Councils.
- 3.14 The supplier of the new system would be DEF Software Ltd and the detailed costs are set out attached in Exempt Appendix 1. The total detailed costs related to the system are set out in the table below:

<b>Eden System Costs</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital	35,423					35,423
Revenue	15,670	16,142	16,626	17,125	17,638	83,202
<b>Total</b>	<b>51,093</b>	<b>16,142</b>	<b>16,626</b>	<b>17,125</b>	<b>17,638</b>	<b>118,625</b>

- 3.15 The costs aren't significantly different to those reported back in 2016, which seems to represent excellent value for money. There are additional costs, which need to be included that were omitted from the original report.
- 3.16 These are capital costs and are set out below:
- Project Management Costs - £35k
  - Implementation Support Costs - £40k
  - Parallel Running Costs - £15k
  - Integration Works to My Account - £30k

3.17 The overall budgets required are set out in the table below:

<b>Eden Total Costs</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital	90,423	65,500				155,923
Revenue	15,670	16,142	16,626	17,125	17,638	83,202
<b>Total</b>	<b>106,093</b>	<b>81,642</b>	<b>16,626</b>	<b>17,125</b>	<b>17,638</b>	<b>239,125</b>

3.18 Subject to budget approval, the system implementation will commence as soon as possible after contract negotiations are complete, these negotiations will include the payment milestones which will be used as part of the contract management process.

### **Integrated Finance, Payroll & HR System**

- 3.19 The current Finance and Payroll current system has been in operation for many years. In recent years the software developer has stopped development and the system and we have been informed that the system will become unsupported in 2021. This will place a significant risk that the system stops working and that we are unable to fix it ourselves. This could result in us not being able to pay people or close our accounts within statutory timescales.
- 3.20 The system has fallen a long way behind its competitors in terms of functionality and user friendliness. It doesn't support a modern operating finance function, in fact it is a significant hindrance to the production of high quality and timely financial reporting.
- 3.21 The system also won't integrate with external systems in anything other than very basic ways. The acquisition of a modern Financial Management System would transform the way that the service operates creating more efficient processes and higher quality outputs across fundamental to the requirements One Eden Transformation Programme.
- 3.22 The Council currently doesn't have a full Human Resources ICT system, which means that much of the information produced for reports has to be either created or manipulated manually. This is extremely time consuming and lacks the quality that can be seen in a modern HR system. As with finance and payroll a new system would transform the service's ability to be efficient and produce higher quality outputs fundamental to the requirements One Eden Transformation Programme.
- 3.23 Some preparatory work has been undertaken to establish a potential procurement route and likely budget. The use of a framework would allow for a potential acquisition in September/October 2020 with a likely implementation timescale of 12 months. This would result in a go-live date of Autumn 2021.
- 3.24 The proposed budget in the table below has been calculated using information from the frameworks that we are likely to consider using. We have also been in contact with potential suppliers and other Councils who have either just been or are currently looking at procurement.

<b>Eden Total Costs</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
	£	£	£	£	£	£
Capital	150,000	200,000				350,000
Revenue	0	80,000	80,000	80,000	80,000	320,000
<b>Total</b>	<b>150,000</b>	<b>280,000</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	<b>670,000</b>

## **4 Policy Framework**

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

## **5 Consultation**

5.1 To ensure the system being purchased and implement is fit for purpose. The specification used to perform the procurement process was created with full involvement of colleagues, who are directly involved in both leading and delivering the service functions which will be improved by using the new system. They were also fully engaged with the tender response evaluation process.

## **6 Implications**

### **6.1 Financial and Resources**

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 The financial implications are set out within the main report.

### **6.2 Legal**

#### **Development of the Digital Platform**

6.2.1 A contract is already in place to allow development of the platform to take place with the supplier.

#### **Development Management System**

6.2.2 The use of Frameworks are allowed under, Clause 6.1 Supplier Selection, of the Council's Procurement Procedures. Also, Eden District Council's Constitution on Procurement Rules, Clause 4.5.3 allows the Executive to use a framework. In this case Framework RM3821, Lot 2B was used.

6.2.3 It is recommended that the contract be awarded for an initial term of 5 years with the option to extend a further 2 years once the initial 5 year period is concluded.

## **Finance System**

- 6.2.4 When the procurement of the new system progresses a compliant procurement process will be completed.

## **6.3 Human Resources**

- 6.3.1 There will be a requirement for officers within Planning, Building Control, Land Charges and Planning Policy to spend time assisting with the implementation of the new system. They have all been part of the procurement process so are aware of what is involved. The secondment for Eden, described in this report will help ease the pressure. This will be further assisted by a dedicated project manager.

## **6.4 Statutory Considerations**

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and Diversity	Not applicable. The systems being implement are principally used internally to perform the functions covered in the scope. Where they interconnect with public facing systems, such as the Council website, they will confirm to the criteria required for those systems, specifically in relation to meeting accessibility legislation.
Health, Social Environmental and Economic Impact	Not applicable. It is considered however that this proposal will have a positive impact on sustainability as the provision of new technology will better support mobile working.
Crime and Disorder	Not applicable
Children and Safeguarding	Not applicable

## **6.5 Risk Management**

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
The existing systems for Development Management are no longer being developed and no longer provide the functionality that the Council require to work in new ways.	The service functions in scope are unable to adapt to new ways of working	Approve the recommendations in this report
The existing contract for the development management systems currently in use, is an annual rolling contract	The existing supplier could remove support for the existing products or increase their costs with very little notice to the council	Approve the recommendations in this report
The Finance system in	The system is not able	Approve the

<b>Risk</b>	<b>Consequence</b>	<b>Controls Required</b>
operation is reaching the end of its functional life and is no longer being developed by the supplier	to operate in the way we need to support new and more efficient ways of working	recommendations in this report

## **7 Other Options Considered**

### **Development of the Digital Platform**

- 7.1 The system has been in operation for a while now and needs to be developed as part of the continuous improvement process. The only alternative is to do nothing but this would prevent us from delivering the improvements identified.

### **Development Management System**

- 7.2 The option being recommended is as a result of a compliant procurement process using a recognised procurement framework which managed by Crown Commercial Services. This is in line with procurement best practice and preferred over other options.
- 7.3 The only alternate option would be to do nothing. This isn't a viable option as we will be unable to deliver the necessary changes, to support new ways of working and continuous improvement of processes as described as part of the One Eden programme.

### **Finance System**

- 7.4 We could continue using the existing system. This isn't a viable option as we will be unable to deliver the necessary changes, to support new ways of working and continuous improvement of processes as described as part of the One Eden programme.

## **8 Reasons for the Decision/Recommendation**

### **Development of the Digital Platform**

- 8.1 This is being recommended to enable additional functionality to be delivered, this functionality will support new ways of working and digital processes which will be implemented as part of the One Eden transformation programme.

### **Development Management System**

- 8.2 The existing system is not being developed and is not configurable in the way we need to support new ways of working which will be introduced as part of the One Eden Transformation programme.

### **Finance System**

- 8.3 The existing system is not being developed and is not configurable in the way we need to support new ways of working which will be introduced as part of the One Eden Transformation programme.

**Background Papers:** F15/16 - Delivering Services Electronically

**Appendices:** Appendix A

**Contact Officer:** Ben Wright, Head of Shared ICT Service