

Record of Officer's Decision

The Openness of Local Government Bodies Regulations 2014 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Date of Decision:	27 November 2023
Decision Maker (Officer):	Richard Barrett (Assistant Director Finance & IT)
Authority for Delegated Decision (Cabinet/Committee Decision or Scheme of Delegation – provide reference):	<p>Part 3, Schedule 3 – Responsibility for Executive Functions delegated to Officers paragraph 4.3 (1) – the Corporate Director has delegated authority to discharge executive functions within their respective service areas (Part 3.38). All delegations are subject to consultation where considered appropriate in the circumstances (paragraph 4.3 (4)(ii) – Part 3.39).</p> <p>The Corporate Director (AD Finance & IT) has delegated operational matters relating to the purchase of a corporate cash management system – Procurement Rules Para 4.3.8 Part 5.79 of the Council's Constitution.</p>
Identify which Portfolio Holder(s)/Committee Chairman consulted?	PFH Finance & Governance
Ward Member(s) consulted?	n/a
Is it a Key Decision?	No (Financial / key element of the decision was included within the Q1 Financial Performance agreed by Cabinet on 6 October 2023)
Is it subject to call-in?	No
Decision Made:	To purchase from Capita a 5 year cloud based income management system via a direct award under the KCS Procurement Services Y200023 Managed Services Framework at a total 5 year cost of £208,140 (plus a year 1 training cost of £3,285).

<p>Reason for Decision (if a report was produced to support the Decision, refer to or attach it):</p>	<p>The Council's current income management system (AIM) enables the Council to effectively manage, process and record its various income streams and links to all the other financial systems operated internally. The system has been in use since at least 2009 and the Council has a one-year rolling contract for the system at present, which is currently hosted within the Council's own cloud within the Azure Cloud Platform. The service provider has informed the Council that it will cease support of the AIM system in its current set up at the end of June 2024 and will only continue to support the system if it is moved to their own Cloud based Platform (sCloud).</p> <p>Additionally, the current system interacts with a range of other financial systems operated within the Council making it challenging to identify an alternative supplier and implement a significant range of actions before the deadline mentioned above of June 2024.</p> <p>Given its critical nature, the system cannot be reasonably operated without support from the system supplier. Therefore a procurement decision is required. In terms of context to the required procurement decision, it is worth highlighting the following points:</p> <ul style="list-style-type: none"> • As highlighted above, the Council has been utilising the AIM system for well over 10 years and consequently, the services and users have considerable expertise and the Council has established detailed reporting and support arrangements to keep the services operational and working as efficiently as possible. • Due to the above, changing solutions would be extremely complex to plan and deliver and likely to be extremely costly in terms of re-training users and support staff. <p>Given the above, it is not proposed to move away from the existing supplier, but rather than an annual rolling contract it is proposed to procure the 'replacement' sCloud product for 5 years. Beyond this period, a review will be undertaken nearer the time to inform the separate procurement decision that will be required. This initial 5-year approach supports the value for money / governance arrangements required as part of the associated procurement process.</p>
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	<p>In agreeing the new longer-term approach, this has been finalised via KCS Procurement Services Y20023 Managed Services Framework. This framework enables a direct award provided the customer can meet any one of the following objective conditions:</p> <ol style="list-style-type: none"> 1) Customer is satisfied that, following their own due diligence, they can identify the supplier that offers best value for their requirement 2) The supplier is able to supply the required goods/services within the customer's timescales 3) Goods/services required are unique/exclusive to one manufacturer/supplier 4) Continuity of existing goods/services from an awarded supplier. <p>In the context of the information highlighted earlier, the Council can reasonably demonstrate that it meets points 1), 2) and 4) above so a direct award is possible.</p> <p>The relevant activities associated with the KCS Framework highlighted above have been confirmed / reviewed / undertaken and it is now possible to conclude the finalisation of the agreement / purchase order subject to the publication of this decision.</p> <p>The outcome the decision will deliver is a stable environment for the income management system for a period of 5 years, under a new contract.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>The current annual on-going budget to support the AIM product is £25,900. (totalling £129,500 over 5 years)</p> <p>Under the framework agreement, Capita have quoted the following:</p> <ul style="list-style-type: none"> • Annual hosting charge - £21,000 • Annual support charge - £20,628 <p>Annual Total - £41,628 Total over 5 Years - £208,140</p> <p>The above can be reduced by an annual saving on the costs of the Council's use of the Microsoft Azure Cloud services - £6,927 per annum (£34,635 over 5 years)</p> <p>There will be some initial training / set up costs which total £3,285.</p> <p>Taking all of the above into account, the total net 5 year cost is £176,790.</p>

	<p>The above represents an increase of £47,290 over the existing budget of £129,500 as highlighted earlier.</p> <p>This additional cost was addressed / approved in the Q1 Financial Performance Report presented to Cabinet on 6 October 2023.</p> <p>The above costs exclude inflation, which will be considered as part of the Council's wider annual budget setting cycle.</p>	
<p>Details of any Alternative Options Considered and rejected (together with reasons):</p>	<p>The option to identify an alternative supplier could be explored either directly or via framework agreements. Finding, purchasing, implementing and testing a new income management system, with links to all other financial systems, by 30 June 2024 would not be practical and would introduce a significant level of risk.</p> <p>Continuing to use the current system (AIM) without any support, would introduce an unacceptable level of risk into the Council's income management processes at the present time.</p> <p>In the context of the above (including the financial considerations), the proposed approach set out above would provide value for money to the Council.</p>	
<p>Details of any declarations of interest (by Portfolio Holder/Committee Chairman who was consulted by the officer, which related to the decision)</p> <p>If relevant, a note of the dispensation granted by the Monitoring Officer:</p>	N/A	
<p>Reason Decision, or supporting Report, is not published:</p> <p><i>Tick one or more of the specific exemptions,</i></p> <p><u>and</u></p>	X	Not applicable – Decision to be published
	<p>If Report is not to be published – tick one of the following boxes:</p>	
		The report supporting the Decision contains confidential information
		The Report supporting the Decision falls within an exemption pursuant to Schedule 12A of the Local Government Act 1972 Information:
		<ul style="list-style-type: none"> • Relates to an individual • Likely to reveal the identity of an individual

<p><i>Give more information in the final box with regards to why the exemption applies and outweighs the public interest test (which is in favour of disclosure).</i></p>		<ul style="list-style-type: none"> • Relating to financial or business affairs of a person or organisation
		<ul style="list-style-type: none"> • Relates to a claim for legal professional privilege in legal proceedings
		<ul style="list-style-type: none"> • Reveals that the Council proposes to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or to make an order or direction under any enactment
		<ul style="list-style-type: none"> • Relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime
	<p><u>And</u> is exempt if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p> <p>Reasons: N/A</p>	

Officers

Signed:

Title: Assistant Director Finance & IT

In consultation with:

Signed:

Portfolio Holder For Finance & Governance

Dated: 27 November 2023