

ASHFIELD DISTRICT COUNCIL: EXECUTIVE FUNCTIONS DECISION RECORD

Please use this form to record any Executive Decision taken by an Executive Lead Member or Chief Officer.

TO BE COMPLETED BY THE DECISION TAKER:	
1.	<p>Procurement of an Income Management System:</p> <p>The current contract for the corporate income management system ends on the 21st of September 2023. In line with the Council's contract procedure rules, approval is now being sought to enter into procurement.</p>
2.	<p>Is this a Key Decision: A Key Decision is one that is likely to:</p> <p>(a) Result in the Council spending or making savings of over £50,000 revenue or £1m capital, or;</p> <p>(b) Have a significant impact on two or more Wards, or electoral divisions in the Council's area.</p> <p>This is a key decision as Council will be spending over £50,000 revenue over the life of the new contract.</p>
3.	<p>Decision Taken:</p> <p>To issue an invitation to tender to replace or upgrade the current Income Management Systems.</p>
4.	<p>Reasons for the Decision:</p> <p>To examine the current capabilities of the income management system to prepare documentation to go to open tender for a new contract. This will include the examination of accessibility and how the Council can improve accessibility for vulnerable customers. The need to go to procurement is clear as notwithstanding the contract end date of September 2023 there are also considerable improvements and efficiencies that can be gained from undertaking an open tender for the provision of these services.</p>
5.	<p>Copy of the Report or Briefing Note setting out the information which was used as the basis for the Decision:</p> <p>Detailed report attached</p>

6. Was the Decision classed as exempt? If so, what were the reasons for this:

Please refer to the Constitution which explains the legal grounds for exempting from publication information used to make a decision.

No

7. Alternative Options Considered / Rejected:

1. Mini competition through a procurement framework.

Much as this option, on the face of it, potentially presents a more expedient process, there are potential contracting restrictions following this procurement route, whereby standard terms and conditions have already been agreed as part of the procurement framework itself. This risks either limiting the Council to terms and conditions which are not preferable or can lead to extended negotiations which could lead to no award being made at the end of the process.

This approach could also potentially limit consideration of successful integration or alignment to the new finance solution, for which the procurement process is ongoing and expected to conclude by early October 2022. Strategically, our preference is for a more streamlined and interfacing back-office, business supporting solution architecture.

This option would also limit the consideration of the wider market. A recent soft market test has been undertaken of available procurement frameworks indicating a limited market.

The key risks in going down the framework route include

- Frameworks are unresponsive to change. There may be new suppliers and/or new solutions within the market that were not included when the agreement was initially set up
- They apply a 'one size fits all' approach, which may make it difficult for buyers to satisfy their own procurement objectives.
- Price and system options will be restricted

2. Procurement through a local authority collaboration.

Several East Midlands and some Southern Councils are currently working with the Cost and Procurement Advisory Service (CPRAS) to build out a procurement framework using soft-market testing activities that have already been undertaken by some of the local authorities. CPRAS have built a SharePoint Online solution to host this procurement information.

This option has the potential to simplify procurement of a local government income management system through a collaborative effort by multiple organisations to create a specific purchasing framework. However, the timescales for completion of the procurement framework do not fit with our own, as the collaboration are hoping to complete the work so that one of the East Midlands Councils can award a contract in October 2023 and have a system live in September 2024. Therefore, involvement from our own immediate procurement perspective is not beneficial as the activity to build a new procurement framework is still in its infancy.

However, Ashfield District Council could gain significant information and lessons learned from other parties from participating in the framework build exercise at an arm's length. The Innovations and Solutions Manager will consequently remain involved with this group and work with our own project to keep both activities updated so we can ensure we get the best of both worlds.

3. Do Nothing

This is not an option as the existing contract is due to expire in 12 months' time on 29th September 2023. There are also issues with the existing solution, including accessibility and the ability to meet the needs of more vulnerable customers.

The option of doing nothing is not an option in this case and by delaying a decision on this procurement will place the Council in a vulnerable position of not having a current contract in place or delaying it to an extent where an extension will need to be sought retaining the Council on the same terms and conditions. We have an opportunity to be able to realise long term benefits such as contractual and system capability.

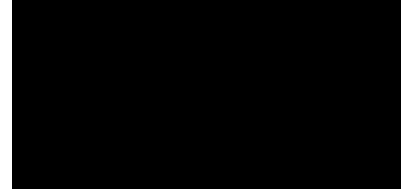
8. **Declarations of Interest and Dispensations – if applicable:**

Any Declarations of Interest relating to this decision and subsequent dispensations should be listed.

9. **Name / Title of the relevant Executive Lead Member(s) consulted (if appropriate):**

10. Name / Title of the decision taker:

Cllr. Matthew Relf – Executive Lead Member for Regeneration and Corporate Transformation



Date: 11 October 2022

TO BE COMPLETED BY DEMOCRATIC SERVICES

1. Date that the decision was notified to Members:

12 October 2022

2. Date and time when the Call-In period for this decision ends:

5pm – 19 October 2022

3. Date when the decision can be implemented (five clear working days following publication):

20 October 2022

4. Decision Reference Number (if applicable):

N/A

The completed form should be emailed to the Democratic Services Team:

democratic.services@ashfield.gov.uk

They will arrange for it to be published on the Council's web site.

EXEMPT OR CONFIDENTIAL BACKGROUND INFORMATION IN SUPPORT OF THE DECISION:

Use this section to share any confidential information. **This will not be published or placed on the Council's web site.** It will only be shared within the Authority, as appropriate.

For further support or guidance please contact Ruth Dennis, Director of Legal and Governance (and Monitoring Officer) ruth.dennis@ashfield.gov.uk or any member of the Democratic Services Team.

Report To:	EXECUTIVE DECISION
Date:	11 OCTOBER 2022
Heading:	INCOME MANAGEMENT SOLUTION PROCUREMENT
Executive Lead Member:	CLLR MATT RELF
Ward/s:	N/A
Key Decision:	YES
Subject to Call-In:	YES

Purpose of Report

Request approval to undertake a full procurement exercise to procure a new or upgraded Income Management System (IMS) in accordance with 5.1.5.1 of the Contract Procedure Rules.

Recommendation(s)

To issue an open invitation to tender in order to replace or upgrade the current Income Management Systems

Reasons for Recommendation(s)

To examine the current capabilities of the income management system in order to prepare documentation to go to open tender for a new contract. This will include the examination of accessibility and how the Council can improve accessibility for vulnerable customers.

Alternative Options Considered

1. Mini competition through a procurement framework.

Much as this option, on the face of it, potentially presents a more expedient process, there are potential contracting restrictions following this procurement route, whereby standard terms and conditions have already been agreed as part of the procurement framework itself. This risks either limiting the Council to terms and conditions which are not preferable or can lead to extended negotiations which could lead to no award being made at the end of the process.

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However, Ashfield District Council could gain significant information and lessons learned from other parties from participating in the framework build exercise at an arm's length. The Innovations and Solutions Manager will consequently remain involved with this group and work with our own project to keep both activities updated so we can ensure we get the best of both worlds.

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The option of doing nothing is not an option in this case and by delaying a decision on this procurement will place the Council in a vulnerable position of not having a current contract in place or delaying it to an extent where an extension will need to be sought retaining the Council on the same terms and conditions. We have an opportunity to be able to realise long term benefits such as contractual and system capability.

Detailed Information

In 2018 a procurement exercise was undertaken to examine the most appropriate system in regard to the management of all incoming income. The route chosen was via a framework with a mini competition due to restrictive timescales. There was only one bidder which was the incumbent supplier.

A decision was taken by Cabinet on 14th June 2018 to enter a contract for a period of three years +1 +1, the approval to extend being delegated to the Director of Resource and Business Transformation. The contract commenced on 21st September 2018 for a period of up to 5 years agreed, 3 years plus 2 one-year options. On 21st September 2020 a contract change control notice was agreed to extend the Contract for a further two-year period as provided for in the Contract, including an upgrade to eStore 2, which included required WCAG 2.1 compliance. The Contract end date is 29th September 2023.

The need to go to procurement is clear as notwithstanding the contract end date of September 2023 there are also considerable improvements and efficiencies that can be gained from undertaking an open tender for the provision of these services.

In recognising the mistakes of 2018 where insufficient time was allocated to procurement it is intended to commence this procurement well in advance of the current contract end date of September 2023. Adequate time should also be allowed for mobilisation once the contract has been awarded. There is significant experience within the Council's Transformation Team which will be used to facilitate expedient and successful mobilisation of any required changes following procurement. Nottingham City Procurement Team have also been engaged and are fully supporting the procurement process.

Suggested timeframes are: -

October 2022 – November 2022 – Tender exercise

December 2022 – Tender evaluation and sign off

January 2023 onward – Award and mobilisation of the new contract ready to go live by 30th August 2023.

The annual amount will be over the course of the contract period, and it would be recommended that an initial 5-year contract period is considered with an option to extend. The budget at this stage is indicative as we will need firm and official bids to understand the market costs based on our requirements.

Benefits:

A detailed benefits realisation based on the ROI, and requirements catalogue cannot be produced until a tender exercise has been completed, it is at the tender stage where we will have the significant detail in which to identify costs and benefits.

What is an IMS?

An income management system is a set of processes (supported by software) to ensure every penny of every single payment is captured, verified, and validated. It's then routed off to the right internal account(s) to balance creditor records and update other system records (which impact follow on processes, such as issuing notices for late payment).

Ideally, most of these processes would be automated wherever possible. An efficient and well-designed IMS reduces the need for (and cost of) human effort, which should reduce risk of processing errors.

The ability to secure best value for money and evaluate more modern IMS solutions available on the open market will be obtained through undertaking a full procurement exercise by way of open tender. The aim is to deliver an IMS solution that fully exploits modern technologies and will successfully enable the customer in making payments and transacting with the Council in a joined-up way, deliver a solution that is flexible and interoperable, enabling service redesign as part of the Digital and Service Transformation Programme and deliver a solution that will ensure PCI compliance.

Implications

Corporate Plan:

The proposed change is a key project in the Digital and Service Transformation programme, a key programme within the Innovate and Improve Corporate Priority.

Legal:

The recommended procurement process complies with Contract Procedure Rules. [RLD 23/09/2022]

Finance: [PH 29/09/2022].

Budget Area	Implication
General Fund – Revenue Budget	We will know more about the cost of this project once the ITT returns and we can make final decisions around budgets at this point. Approval is sought for the procurement route and not the unknown value of the project.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
Being out of contract at the end of the current term which could impact financially whilst also not observing contract procedure rules i.e., being in an assumed contract	Undertake an open tender procurement exercise having a robust procurement and mobilisation plan

Lack of a long-term arrangement that meets the requirements of the transformation strategy	Ensure the business requirements and ITT align to the Council's Solution Strategy
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Human Resources:

There are no current HR implications as at this point, we are just seeking permission to tender

Environmental/Sustainability

Through the Digital Transformation Programme, the Council continues to pursue channel shift and take-up of modern, digital payment channels, and automated processes thereby seeking to contribute towards minimising the Council's impact on the environment through its operations.

Equalities:

This decision seeks to examine the wider supplier market to modernise and improve the Council's IMS, and in doing so, improve accessibility across all our residents and businesses. An Equality Impact Assessment will be undertaken as part of the procurement process.

Other Implications:

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Report Author and Contact Officer

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