
REPORT TO THE MEETING OF THE EXECUTIVE 5 JUNE 2019**PORTFOLIO: FINANCE****REPORT FROM: SECTION 151 OFFICER****SUBJECT: ‘ONE REVENUE AND BENEFITS CLOUD SERVICE’
CONTRACT AWARD****1 DECISION BEING RECOMMENDED**

- 1.1 To award a new five-year contract to Capita Business Services for “One Revenues and Benefits Cloud Service” (encompassing the provision of Academy software) which is required to carry out the Council’s core Revenues and Benefits services, with an immediate start date.
- 1.2 To agree that the decision is not subject to call-in, due to the immediate business need to start the discovery and transition phase in summer 2019 in order to migrate the system in September 2019, ahead of the start of the annual billing process for 2020/21. If the decision is delayed it is unlikely the software could be migrated to the cloud ahead of the 2020/21 financial year.

2 KEY DECISIONS DOCUMENT REFERENCE No: 5/19**3 REASONS FOR RECOMMENDATION**

- 3.1 The Council requires the Academy system to process its Revenues and Benefits workload and there are no other suitable alternatives that can be implemented in the medium term.
- 3.2 Rather than rolling existing service provision arrangements on an annual basis, entering into a new contract for ‘One Cloud’ will provide additional assurances for the Council of the terms and conditions Capita Business Services is working under, will encompass a fully managed service to the Council and will enable a transition of the software to Capita’s cloud platform which will support the Council’s objectives of removing its own data centre servers which currently host this application.

4 SALIENT INFORMATION

- 4.1 The Revenues and Benefits team are heavily reliant on the Academy system to process its Council Tax, Business Rates and Housing Benefits workload. This is a complex software product which requires regular updates to ensure it remains compliant with the many legislative changes which are implemented by Government each year.
- 4.2 The product has been used by the Council for many years, with services provided on a rolling basis annually; however due to the length of time

elapsed since the service originally commenced it is not possible to formally extend or vary the existing contract.

- 4.3 In principle, the Council could leave the existing arrangements with Capita at the end of any given year; however in reality there are many co-dependencies of the Academy system with other council products and processes which mean that, if the council wished to change supplier, a significant amount of preparatory work would be required to inform a full procurement exercise, followed by a lengthy development and transition process to ensure there is no impact on delivery of services to residents.
- 4.4 In addition, there is limited competition in the market, with only three main suppliers of suitable Revenues and Benefits IT packages; most local authorities therefore remain with their existing supplier for a significant time due to the complexities/cost involved in changing supplier.
- 4.5 The only pragmatic solution is for the Council to continue using Academy at the present time, since a change of supplier would require a lead-in time of several years to implement.
- 4.6 Rather than continue the existing arrangements, which don't provide contractual certainty over the Terms and Conditions that Capita Business Services are operating under, it is recommended that the Council enters into a new enhanced contract with Capita. This will provide two additional benefits to the Council:
 - 1) Access to a fully managed service, which will significantly reduce reliance on council officers to administer the system and resolve any operational issues.
 - 2) A transition of the Academy software to Capita's cloud, which will support the Council's objectives of removing its locally supported servers. The software cannot be migrated to the Council's own Azure Cloud as Capita will not support the product unless it is hosted in its own cloud.

5 RISK IMPLICATIONS

- 5.1 Entering into a new contract will reduce the risk to the Council of business continuity being interrupted, since the product will be managed and hosted externally without reliance on the Council's internal servers and local officer support. This will ensure a seamless service can be provided to residents.
- 5.2 Agreeing a new contract will also provide additional assurances to the Council on the level of service provision that can be expected from Capita Business Services and a clearer mechanism for resolving/escalating any issues that may occur.
- 5.3 There is a small risk that there could be a delay in transitioning the software to Capita's cloud platform, as their cloud-based product is currently in the final stages of testing. Other Local Authorities have already entered into a contract

with Capita for these services and are due to migrate ahead of Rochford District Council; therefore, any potential issues should be resolved during the development/transition phase.

6 RESOURCE IMPLICATIONS

- 6.1 The Council currently spends circa £112,000 per annum on Academy software products and support services; this is made up of several elements, which are purchased individually. In addition, the Council incurs costs of maintaining data centre servers to host the software, via its contract with Jisc (formerly EduServe), and is reliant on internal officer resources to support the application.
- 6.2 A new contract will cost £142,800 per annum fixed for five years, and will encompass all elements of the services currently provided, as well as enhanced functionality and support going forward. In addition, there will be a one-off implementation cost of £30,000 in Year 1 to develop and transition the product to the Cloud platform. The additional costs are assumed within the agreed 2019/20 budget.
- 6.3 Although the base cost of the new contract will increase by circa £30,800 per annum, further efficiencies will be made through the freeing up of officer time to support the product (both within the Revenues and Benefits team and the IT team) and the removal of the requirement to host the product on data centre servers. The new contract offers value for money to the Council, since it should provide a seamless, fully managed service which offers the latest available functionality, and will provide further business resilience through external hosting and support services.

7 LEGAL IMPLICATIONS

- 7.1 The Council proposes to directly award the contract to Capita Business Services under the KCS Framework agreement which is fully OJEU compliant under EU Procurement Regulations.
- 7.2 A direct award can be made under the framework since Capita Business Services are the only supplier able to provide the required services to the Council in the medium term and the Council has an immediate business need to continue service provision in order to meet its statutory obligations to provide Revenues and Benefits services to residents.

8 PARISH IMPLICATIONS

- 8.1 None.

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

LT Lead Officer Signature:



SECTION 151 OFFICER

Background Papers:-

None.

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