REVIEW OF THE OPERATION OF THE ICT CONTRACT - UPDATE

1   PURPOSE OF REPORT

1.1   Minute 74 of the Review Committee Meeting of 14 April 2015 resolved that the Review Committee would look at the situation again in the new Municipal Year to see if it had been possible to reduce the third party software costs by 20% and also that the third party software review be extended to include contracts costing less than £4,000.

2   INTRODUCTION

2.1   These resolutions were agreed after a review by the Committee of the ICT Contract and this report provides the update as requested.

3   UPDATE

Software Costs

3.1   In 2014/15 spend on software costs was £334,761.55. For 2015/16 the budget was set at £409,000. This was due to some multi year agreements (that had been paid in full at their commencement in previous budget years) being due to for renewal in 2015/16. There were also planned requirements for additional software.

3.2   At the mid year budget review, spending from this budget was not as much as anticipated after negotiations. The additions came to £39,266.40. It was also anticipated at that point that other savings would be made, so the budget was reduced to £370,000. As a result of negotiation on the Idox Uniform application and discontinuing two other licences, £31,141.24 was saved.

3.3   If no additional software had been bought, spend on licences in 2015/16 would have been £308,234.73. As the spend in 2014/15 was £334,761.55, adjusting for the average RPI or contractual rise across all the licences of 2%, the saving from 2014/15 to 2015/16 was 9.7%. With the additional acquisitions in 2015/16, the actual spend from this budget is projected to be £348,000 by year end.

3.4   Table 1 – Summary of figures

Spend in 2014/15	£334,761.55
Original budget 2015/16	£409,000.00
Revised budget 2015/16	£370,000.00
Projected actual spend	£347,501.13
Reductions	£31,141.24
Additions	£39,266.40
Spend in 2015/16 without additions	£308,234.73

Spend in 2014/15 with adjustment	£341,456.78
Decrease	9.7%
Projected actual spend	£348,000.00

Review to include contracts costing less than £4,000.

3.5   This was carried out and as a result a software licence costing £500 a year was discontinued. This is included as part of the reduction in the above figures.
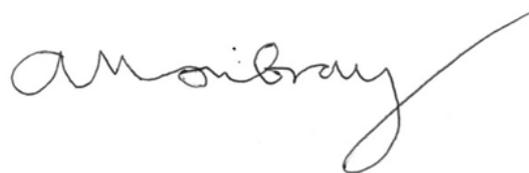
4   RESOURCE IMPLICATIONS

4.1   This report requires no increased budget.

5   LEGAL IMPLICATIONS

5.1   None.

6   RECOMMENDATION

6.1   It is proposed that the Committee **RESOLVES** to note the contents of the report.

Andrew Mowbray

Assistant Director – Transformational Services

Background Papers:-

None.

For further information please contact Andrew Mowbray (Assistant Director – Transformational Services) on:-

Phone: 01702 318042
Email: andrew.mowbray@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.