

**Author/Lead Officer of Report:**

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Report of: Executive Director of Resources

Report to: Co-operative Executive

Date of Decision: 16 / 02 / 2022

Subject: Procurement of Business Rates and Document Management IT systems

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Co-operative Executive Member Portfolio does this relate to? Finance and Resources		
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 1073		
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Appendix 1 is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) in that they include information relating to the financial or business affairs of any particular person (including the Council) and the balance of public interest is in the information not being released.		

Purpose of Report:

The purpose of this report is to seek approval for the procurement of Business Rates and Document Management IT systems for the Council's Revenues and Benefits service via the Crown Commercial Services procurement framework for a period of 5 years with an option to extend for up to 2 years.

Recommendations:

It is recommended that the Co-operative Executive:

- 1) Approve the procurement of the Business Rates and Document Management Systems via the Crown Commercial Services (CCS) framework as outlined in this report.

- 2) Approve the direct award of the new contracts to NEC Software Solutions Ltd outlined in this report.

- 3) Delegates authority to the Executive Director of Resources, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to:
 - a) agree the terms of the new Call Off contract under the CCS Data and Applications Solutions (DAS) framework RM3821

 - b) take all other decisions necessary in order to meet the aims, objectives and outcomes of this report which are not already covered by existing delegations in the Leaders Scheme of Delegation.

Background Papers:

N/a

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated/additional forms completed/EIA completed, where required.	Finance: Kayleigh Inman
		Legal: David Cutting
		Equalities: Bev Law
<i>Legal, financial/commercial and equalities are under consideration and comments have been incorporated. Any further implications will be included within the final report.</i>		
2	Executive Director who approved submission:	<i>Eugene Walker</i>
3	Cooperative Executive Member consulted:	<i>Cate Macdonald</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Tim Hardie</i>	Job Title: <i>Head of Commercial Business Development</i>
	Date: 19th January 2022	

1. PROPOSAL

1.1 Currently the Council's Revenues and Benefits (R&B) service has a contract with NEC Software Solutions Ltd (NEC) for the IT systems which provide the billing and collection functionality for around 19,000 businesses in the city (iWorld) and the Document Management System which supports the paperless administration of over 250,000 Council Tax accounts and 50,000 Housing Benefit and Council Tax Support claims (Information@Work (I@W)).

1.2 There are very few systems on the market which meet the specialist needs of R&B services and NEC systems are used within other Local Authorities.

1.3 The current contract is due to end in March 2022.

1.4 The NEC Business Rates and Document Management Systems have supported the Council's R&B service for a number of years, originally under contract to our previously outsourced service provider they were migrated to the Council in 2021.

1.5 These systems are now entering a period of stability following the disruption of migration, with our newly established systems administration team becoming increasingly proficient in their management.

1.6 This proposal therefore is to re-procure a new contract via the Crown Commercial Services framework Data and Application Solutions (DAS) RM3821 with NEC for the same systems to avoid any further disruption to the service. This will provide a period of stability to enable the Council to re-focus on the plan (delayed by the pandemic) to review the R&B service operating model, following the insourcing of the service in January 2020.

1.7 To give sufficient time to complete the review of the service, implement changes and allow time for transition and stability, the proposal is to award the maximum period allowed under the Crown Commercial Services framework of an interim period of 5-years with the option to extend by two further 1 year periods.

1.8 This will allow the service to review and consider our future options.

2. HOW DOES THIS DECISION CONTRIBUTE?

The provision of efficient automated Revenues and Benefits services supports the delivery of Housing Benefit and Council Tax Support to some of our most vulnerable residents and facilitates the prompt billing and collection of Business Rates to maximise a substantial source of income for the Council.

3. HAS THERE BEEN ANY CONSULTATION?

No. There is no statutory requirement to consult on this matter.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 Following an Equality Impact Assessment there are no concerns raised. Any appointed Supplier must meet the Supplier Code of Conduct standards set out by government

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf)

4.1.2 This is part of Joint Schedule 5 (Corporate Social Responsibility) setting out the standards and behaviours expected of suppliers who work with government.

4.1.3 We know that the supplier has a corporate responsibility framework and within this has a Equality statement <https://www.necsws.com/corporate-responsibility>

4.2 Financial and Commercial Implications

4.2.1 As the proposed values will exceed the Public Contract Regulations 2015 threshold, in which as a public sector authority the Council is required to comply with, Commercial Services have identified a suitable and compliant Public Sector framework Crown Commercial Services Data and Application Solutions (DAS) RM3821

4.2.2 The contract term will be for an initial period of 5 years with an option to extend for a further two 1 year periods.

4.2.3 The new contract is 3.3% increase on the current contract value of £112k p.a and over the 5 year fixed period the value is £579,110.

4.2.4 The new price will still be within the budget available within the Revenues and Benefits service.

4.2.5 See Appendices 1 and 2

4.3 Legal Implications

4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. The Council also has a specific power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions (s111(1) Local Government Act 1972). These powers enable the procurement outlined within this report.

4.3.2 When the Council delivers services it is subject to the “best value duty”. This requires the Council to ‘make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness’.

4.3.3 The procurement of any goods, works or services by the Council must be undertaken in accordance with all relevant provisions of the Council’s Constitution including its Contracts Standing Orders and all applicable Procurement rules. The

use of the Crown Commercial Services framework Data and Application Solutions (DAS) RM3821 proposed by this report will ensure that compliance.

Other Implications

4.4 Human Resources Implications

n/a

4.5 Environmental Implications

n/a

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do Nothing

Due to the anticipated expenditure for both software applications over the proposed term the council is required to comply with Public Contract Regulations 2015 and therefore to continue use of the software beyond the current contract period would not conform.

5.2 Reduced Contract period

A shorter contract period was not taken forward as it would coincide with the expiry of R&B's Council Tax and Benefits software system. The business risk of managing multiple procurements and potentially implementations was deemed to be too great a risk and would impact on the ability to provide stability within the service and also to the citizens of Sheffield.

5.3 Open Market Procurement

The business rates marketplace is very limited due to the bespoke nature of the service requirements. The key players in the market are appointed to the CCS DAS framework and have already undertaken a competitive and compliant procurement process in line with Public Contract Regulations 2015.

5.4 Use of a Public Sector Framework

The CCS DAS framework has been identified as a suitable framework in which to make a Call Off contract. It has already been competitively tendered and is compliant with PCR 2015 regulations. It enables a direct award via CCS e-marketplace.

6. REASONS FOR RECOMMENDATIONS

6.1 The contract with NEC for the R&B service's Business Rates and Document Management systems is due to expire in March 2022. The R&B service has a requirement to retain use of the systems to enable a period of stability and undertake the planned review of the service following the insource which has been delayed due to the pandemic. A compliant commercial vehicle has been sourced.

6.2 Failure to secure a contract for the supply of these systems will leave the Council unable to deliver its Council Tax, Business Rates and Housing Benefits services leading to serious financial hardship for the citizens of Sheffield