

Contract for cloud based services hosting the Council's revenue & benefits software application (Academy)
Councillor Marco Cereste, Cabinet Member for Digital Services and Transformation
April 2022
Deadline date: 22nd April 2022

Cabinet portfolio holder: Responsible Director:	Councillor Marco Cereste, Cabinet Member for Digital Services and Transformation Sue Grace, Director Customer and Digital Services Corporate Directorate
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES (To be added on Forward Plan of Key Decisions 23 May 2022) Unique Key decision Reference from Forward Plan: N/A
Is this decision eligible for call-in?	NO
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on POWA?	YES POWA number: ITDS70

RECOMMENDATIONS

The Cabinet Member is recommended to:

1. Authorise the urgent award of a contract for the provision of cloud-based services to host the Council's revenue & benefits software application to Capita UK Limited procured through the Kent Commercial Services Framework Agreement. The contract implementation and mobilisation shall commence on 1 May 2022 in preparation for service provision between 1 October 2022 and 31 March 2028 at a contract value of £1,149,393.00. The contract shall have an option to extend for two 12 month periods at a value of £195,035.00 per extension year.
2. Authorise the Director: Customer and Digital Services to vary this Contract if required, subject to approval by the Director of Law and Governance (or authorised officer's) and the Corporate Director of Resources.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Cabinet Member for Digital Services and Transformation to consider exercising delegated authority under paragraph 3.4.3 and 3.4.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a).
- 1.2 With the approval of the Chairman of the Growth, Environment and Resources Scrutiny Committee and the Monitoring Officer, the urgency procedure, and waiver of call-in procedure have been invoked to suspend the requirement to publish the decision on the forward plan for 28 days and subject the decision to a three day call-in period. These procedures have been invoked in order to meet critical timescales for the urgent procurement of these services. The decision was originally on the Forward Plan KEY/30AUG21/01, however, the decision was abandoned due to an incorrect value included within the Issue Details.

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3. BACKGROUND AND KEY ISSUES

- 3.1 The Council's Revenue and Benefits software system is currently hosted locally on the Council's premises. It requires specialist infrastructure and as a result is difficult for the Council to support and maintain. There is no disaster recovery provision and the server has recently experienced significant failures impacting the Serco Revenue and Benefits service. This has affected Housing Benefit claims processing, Council Tax and Business Rates processing with a significant number of processing days lost.

Migrating the Revenue and Benefits system to the suppliers cloud hosted environment increases the resilience and availability of the system, improves support and provides adequate disaster recovery provision. It also shifts the responsibility to the supplier to ensure the system is available and running at an acceptable level of performance.

The Council currently pay the supplier £95,000 annually for the licensing, support and maintenance of the on-premises system. Migrating to cloud will increase this cost by approximately £100,035. This is good value as at present the Council is unable to provide an adequate level of resilience, support, fault tolerance and disaster recovery on premises for a lesser amount. The proposal also includes a Print on Demand solution which will automate the printing of council tax bills and letters removing the need for ICT intervention in this process.

4. CONSULTATION

- 4.1 As part of the decision, consultation was undertaken with the relevant Service leads within the Council and the respective heads of service delivery within Serco, as well as the respective legal services for both the partner and the Council.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 Continued use of the Academy Revenue & Benefits system

The Revenue & Benefits service have a faster, more resilient software application to process council tax, business rates and housing benefit claims on with an adequate disaster recovery provision.

The system is more readily scalable to cope with future requirements such as automated claims processing.

Automation of printing letters and bills.

6. REASON FOR THE RECOMMENDATION

- 6.1 The Council do not have the required expertise to continue to support the infrastructure the Academy Revenue and Benefits application runs on.

The council are required to keep the Capita One Revs & Bens system (Academy) upgraded so that we are using the latest version to remain compliant with legislative changes. The latest version of Academy will no longer be compatible with the Solaris server operating system in use by the council. Therefore, we are urgently required to get a contract in place with the supplier by the end of April 2022 to allow them to begin the 8-month migration project to their fully supported SaaS solution. Failure to complete the project by December 2022 will result in the council not being ready for the next year of council tax billing which will adversely impact capital & treasury income, revenue and cash flow.

The cost of seeking an adequate disaster recovery solution for the Academy application would greatly exceed the cost already put forward by the supplier.

The supplier is best placed to host and support the application and the required ICT infrastructure.

The Council is therefore provided with an effective ICT service which is:

- Stable;
- Flexible;
- Adaptable;
- Resilient; and
- Appropriate to the needs of the Council in the medium to long term.

The Council are utilising the Kent Commercial Services framework, which permits the Council to call-off services. The framework covers the scope of services required and allows a direct contract award to be made. The process for direct award under the framework has been followed.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 Do nothing and accept that ICT failures will occur that will negatively impact the Revenue & Benefits service – rejected by the service

Implement redundant ICT infrastructure on premises in Orton to act as a fail-over, this option was rejected by ICT due to the complexity and by finance due to the increased costs. Even then it does not meet all the project objectives as would still require the council's ICT staff to support.

Consider other providers by putting the whole Revenue & Benefits system out to tender – This exercise would take 1-2 years to complete and was rejected due to the demand this would require from the service and the cost of implementing a completely new system. Which seems unnecessary when the service are comfortable with the Academy application and the support they currently receive from the supplier.

8. IMPLICATIONS

Financial Implications

- 8.1 The Council will be committed to spending capital on implementation and an increase of £100,035 in annual revenue spend which has been budgeted for the duration of the contract.

Legal Implications

- 8.2 The procurement of the cloud-based services has been undertaken in accordance with the Kent Commercial Services Framework requirements, which permits the Council to call-off services from the framework.

Equalities Implications

- 8.3 There will be no change to how the service is delivered to residents and businesses. Whilst the preferred route to accessing the service is still via online self-service, a telephone and face-to-face service will still be offered for those without ICT equipment / skills.

Carbon Impact Assessment

- 8.5 This project is aligned with the Council's ICT strategy which promotes a cloud first approach. Migrating applications to the cloud will have a positive effect on the Council's carbon production. The use of cloud-based services reduces the required capacity in the Council's main server room. This brings a reduction in energy consumption to both power and cool the servers.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 10.1 None

11. APPENDICES

- 11.1 None