

Waverley Borough Council

Report to: Executive

Date: 31 October 2023

Ward(s) affected: All Wards

Report of Director: Place

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Executive Portfolio Holder/ Lead Councillor responsible:

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Report Status: Part Exempt

Key Decision: Yes

Replacement of Regulatory Services IT Management System

1.0 Executive Summary

- 1.1 The existing supplier of the Council's Regulatory Services IT Management System has formally issued notice withdrawing their support of the current IT system as of 31 March 2024. Corporate Management Board (CMB) has previously approved a capital bid of

£50,000 for system replacement, and a project team has been tasked with finding a suitable cost-effective replacement. The project team has undertaken pre-market engagement with suppliers, as well as collaborative consultation with Guildford Borough Council Regulatory Service teams to ascertain the best option for replacement.

- 1.2 This report serves as a progress report regarding the replacement of the Regulatory Services IT Management System. It also seeks approval to waive the tender process and move forward with a service contract with the preferred software replacement provider, and authority to spend the funding allocated in the capital programme.

2.0 Recommendation to Executive

That the Executive approves:

- 2.1 That the contract in respect of the Council's Regulatory Services IT Management System be awarded to the preferred supplier;
- 2.2 That the Council's Contract Procedure Rules in respect of tendering be waived in respect of this procurement;
- 2.3 That authority to spend the funding allocated to this IT system replacement in the 2023/24 capital programme be granted;
- 2.4 That authority be delegated to the Head of Regulatory Services, in consultation with the Joint Executive Head of Legal and Democratic Services, to complete and execute the necessary contractual documents

3.0 Reason(s) for Recommendation:

- 3.1 To take advantage of the offer of significant free support for data migration elements of the implementation of the new system, and align systems with Guildford Borough Council to facilitate future collaboration.

3.2 To enable the procurement of the new system to proceed.

4.0 Exemption from publication

4.1 The exempt annexe to this report contains financial information.

- (a) The content is to be treated as exempt from the Access to Information publication rules because it contains financial information and is therefore exempt by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

5.0 Purpose of Report

5.1 To seek authority to waive the tender process in respect of the procurement of the replacement IT management system for Regulatory Services.

5.2 To seek authority to spend the funds allocated for the project in the 2023/24 capital programme.

6.0 Strategic Priorities

6.1 The Council is committed to supporting the health and wellbeing of residents ([Corporate Strategy 2020-25](#)). Regulatory Services including the Environmental Health, Environmental Protection, Licencing and the Environmental Enforcement teams provide an effective mechanism to do this. The implementation of the new Regulatory Services IT system will promote efficient management of these work streams.

7.0 Background

7.1 The existing supplier of the Council's Regulatory Service IT Management System has formally issued notice withdrawing their support of the current IT system as of 31st March 2024. CMB have previously approved a capital bid of £50,000 for system replacement, and a project team has been tasked with finding a suitable cost-

effective replacement. The project team have undertaken pre-market engagement with suppliers, as well as collaborative consultation with Guildford Borough Council Regulatory Service teams to ascertain the best option for replacement.

- 7.2 The market for software of this type is becoming increasingly limited with several software systems no longer supported by their providers and others being bought out by competitors, further narrowing the market. There are effectively only three potential suppliers of suitable software. The IT team have ruled out one potential supplier on technical grounds and on the basis of poor service over the current contract with them which expires on 31 March 2024.
- 7.3 The pre-market engagement with potential suppliers has given indicative costs for the limited number of software systems available. These costs are set out in the exempt annexe to this report.
- 7.4 As can be seen from the figures, the different companies use different pricing models with one going for cheaper implementation but higher maintenance and the other going for higher implementation but cheaper maintenance. The difference in implementation costs is paid back within 10 years of contract maintenance. Either way, the data extraction is a genuine significant saving.
- 7.5 This would suggest that the partnership offer set out in the exempt annexe from the preferred supplier would be significantly cheaper than any other potential offer but would not be available were we to follow the normal tender process.
- 7.6 Guildford Borough Council has fully implemented the preferred supplier's software providing their cloud-based IT management system for Regulatory Services. Given the limited market availability of this type of software, the ongoing successful implementation of the preferred supplier by Guildford, the level of support offered by the preferred supplier set out below and looking ahead to future collaboration opportunities, the project team are of the view that given its effective working, it makes sense to utilise the same software system as Guildford.

- 7.7 Pre-market engagement with suppliers has identified three elements to the replacement IT project: i. Data Extraction; ii. System Implementation; and iii. System Maintenance.
- 7.8 Data extraction is necessary to remove the information held on the Council's existing software and contributes a significant portion to the overall project cost. Indicative figures suggest a cost of up to £75,000 for data extraction and migration to the new software platform.
- 7.9 In an attempt to reduce the burden of data extraction costs, the preferred supplier has offered a partnership proposal: They are currently seeking partnership with a Local Authority to develop their newly acquired data extraction tool. In return for working in partnership, they have offered 70 days technical support at no cost to complete the data extraction element of a move to their software.
- 7.10 This offer is time sensitive, with the preferred supplier looking to move forward their extraction tool at pace to the open market and future Local Authorities wishing to buy in their service. As such, the preferred supplier requires a timely commitment to this partnership. Because the total cost over the five years of a contract would exceed £100,000 approval of the Executive is required to award a contract without competition to access this opportunity for cost saving.
- 7.11 System Implementation is the process of transferring extracted data into the new software, setting up relevant process codes to make the software operational and training all staff. CMB has previously approved capital funding and the service has identified further funding available to meet the cost of implementing the new system. A financial mechanism for funding system implementation is available and set out in the exempt annexe.
- 7.12 System Maintenance is the ongoing revenue cost of maintaining the system. The preferred supplier costs for this over a 5-year contract, match the current revenue budget spend.

8.0 Consultations

- 8.1 A project Team including IT, Finance, Regulatory Services managers, the Information Manager and Head of Service has been working on the procurement options for replacement software.

9.0 Key Risks

- 9.1 The key risk are as follows:

- i. Failure to secure the partnership with the preferred supplier for data extraction – this would result in significant additional cost to the Council.
- ii. Failure to move to a new software provider – this would result in an ongoing risk of not being able to securely save, extract and appropriately delete data in line with GDPR retention schedules. It would also inhibit the submission of returns to the Food Standards Agency and Health and Safety Executive and place an additional resource burden on IT services.

10.0 Financial Implications

- 10.1 As previously detailed:

- i. Data Extraction – cost to be met by the preferred supplier subject to timely direct contract and partnership working to trial development of data extraction tool.
- ii. System Implementation costs can be met from the current capital budget allocation along with a revenue contribution from the service.
- iii. System Maintenance costs (years 1- 5 can be met from the existing IT revenue budget.

- 10.2 As the contract is in excess of £100,000, Executive approval is required.

11.0 Legal Implications

11.1 The circumstances in which the Council's Contract Procurement Rules may be waived are set out in Rule 13.3 of the CPRs. The CPRs may be waived only in exceptional circumstances where:

- (1) there is a demonstrable and justifiable need to waive or vary one or more of the CPRs on the grounds of urgency; and
- (2) the S151 Officer has obtained the prior approval of the Executive.

12.0 Human Resource Implications

12.1 No additional human resource implications, the work will be accommodated within existing resources.

13.0 Equality and Diversity Implications

13.1 There are no Equality or Diversity implications.

14.0 Climate Change/Sustainability Implications

14.1 The preferred software supports remote interface which reduces the need to travel back to an office base to access information. Additionally, the system supports hybrid working and as a result supports a reduction in car journeys.

15.0 Summary of Options

15.1 To agree the waiving of the tender process, authorise spending of the capital programme allocation and take advantage of the offer from the preferred supplier. RECOMMENDED.

15.2 To proceed with a tender process and lose the offer of significant support from the preferred supplier, with subsequent increased costs for procuring a replacement IT management system for Regulatory Services.

16.0 Conclusion

- 16.1 The outcome of the work of the project team is to recommend that the council enter into the partnership with the preferred supplier to take advantage of the significant support on data migration.
- 16.2 To do so the Executive is asked to waive the requirement to tender for the replacement IT management system.
- 16.3 That the Executive gives authority to spend the funding allocated in the 2023/4 capital programme.

17.0 Background Papers

- 17.1 None

18.0 Appendices

- 18.1 Exempt Annexe A

Please ensure the following service areas have signed off your report.
Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer	20 September 2023
Legal / Governance	28 September 2023
HR	N/A
Equalities	N/A
Lead Councillor	11 October 2023
CMB	3 October 2023
Executive Briefing/Liaison	17 October 2023
Committee Services	19 October 2023