ISLINGTON

Community Wealth Building
Town Hall
Upper Street, Islington N1 2UD

Key Decision Report: Corporate Director – Community Wealth Building

Officer Key Decision	Date: 11 May 2022	Ward(s): All

Delete as appropriate		Non-exempt

SUBJECT: Procurement Strategy for a new IT Planning System

1.   Synopsis

1.1   This report seeks approval for the procurement strategy for a new IT Planning System in accordance with Rule 2.8 of the Council's Procurement Rules.

1.2   The Planning and Development service (including Development Management and Building Control) currently uses two different legacy systems which are at the end of their life. A new integrated system is required to ensure all statutory requirements are met.   A new system will also enable greater efficiencies for the Services, deliver agreed financial savings in 2023-4 and enable an improved service to residents and applicants to be provided. The new system will also allow for mobile working which is especially important to officers who are working out on site.

2.   Recommendations

2.1   To approve the procurement strategy as outlined in this report.

3.   Date the decision is to be taken:
     <u>19th May 2022</u>

4. Background:

4.1 Planning and Development require a new IT system to support the delivery of the Development Management, Planning Enforcement and Building Control statutory functions. A new integrated system is required to handle all the planning and building control applications for the council. This must be capable of adapting to legislative and procedural changes to the Development Management and Building Control processes. The system will be used by the following teams: Planning Application Team (PAT), Major Applications Team, Planning Enforcement, Design and Conservation, Business and Information Support (BIS) and Building Control.

The reasons the Services now need to procure a new system area follows:

- There is a significant risk to business continuity and the council's reputation posed by the existing system that will be out of contract in March 2023 and that is built on legacy technology. The replacement system from the current supplier is untested.
- The current system is highly inefficient. A lack of functionality in relation to key processes and the risk of legal challenge if processes fail require numerous resource intensive work around processes, checking and double - handling.
- The current system does not include dashboards, so it is virtually impossible to extract meaningful management and performance information from the system.
- The current system does not facilitate mobile or off-site working because it is not compatible with any mobile devices (phones, tablets) and is only accessible outside the main on-premises council network via Citrix. The latter can be very slow because officers are often downloading large documents.
- The current system does not enable self-service by applicants and those people who are interested in planning applications.

The Development Management Service deals with around 4,000 planning applications a year, and each application creates potential for multiple and complex interactions with applicants and consultees. Allowing applicants to self-serve by uploading information, make online payments and respond to officer enquiries would result inefficiencies.

4.2 **Estimated Value**

The estimated cost in implementing a new IT planning solution is £576k over the four-year period of a contract. This figure includes implementation fees, training, professional services, integration with other council systems, tests to ensure the new system is robust, and licencing/subscription fees for maintenance and support.

The main objective of this procurement is to move two legacy systems from on-premises supported systems to cloud hosted systems. The actual hosting, support and maintenance costs will increase, but the overall total cost of ownership will decrease, as we will not need to maintain on-premises servers, databases, software and associated in–house technical and support resources to maintain these systems.

Hosted and cloud services are also expected to provide enhanced resilience, performance, and accessibility of systems.

It is now critical to Development Management and Building Control continuity and efficiency that the council moves to a new single integrated supplier.

4.3. Timetable

- The current support and maintenance contracts expire at the end of March 2023.
- Procurement of new solution Q1 financial year (FY) 2022/23.
- Work with the successful provider to plan the move to the new solution Q2 FY 2022/23.
- The target timetable for the implementation of the replacement of our current systems is December 2021 – March 2023 to allow sufficient time for data to be migrated, and service users to be trained to use the new system.

4.4 Options appraisal

The following options were considered

Option 1 – Do nothing. The current system will be out of contract in March 2023.The existing system is a legacy system and has never been fit for purpose, therefore a replacement system is required.

Option 2 – Insourcing. There are no suitable resources in-house with the skills to build a bespoke system. There is also an inherent risk in building a bespoke solution to meet statutory requirements which are subject to frequent legislative change. There are good quality solutions in the market which meet the statutory requirements that would be more cost effective and responsive to change. Timing would also be a significant risk.

Option 3– Carry out a competitive tender using the open procedure. This would be time-consuming and the new solution must be fully implemented by March 2023. Assessment of Option 4 and benchmarking with other local authorities has demonstrated that there are a limited number of fit for purpose providers/solutions for IT planning systems in the market.

Option 4 – Call-off from a framework agreement. A number of framework agreements were looked at and G-Cloud 12 was assessed as being the most suitable solution for procuring a suitable planning system. G-Cloud 12 Lot 2: Cloud Software provides Software as a Service (SaaS) applications, usually accessed over the internet or private networks and hosted in the cloud. G-Cloud 12 has pre-qualified suppliers. This reduces the timescales for the procurement. This offers a compliant route to market which can be utilised to find the "best fit" solution with a focus on local government experience and knowledge. The speed of procurement means that it will be the most cost effective.

The recommended option is 4 – to use the CCS G-Cloud framework agreement as this is the most timely, efficient and cost-effective route to market.

4.5 Key Considerations

Market rates in the IT industry are on average above the London Living Wage. However, all suppliers will be asked to confirm that anyone working on the contract will be paid the London Living Wage.

The successful provider will be asked to contribute to social value in the borough over the duration of the contract. For example, the provider may be able to offer a contribution of expert volunteering hours; offer apprenticeships; and participation in the Council's 100 Hours World of Work programme by visiting schools within the borough to deliver career days.

The council's IT applications roadmap is to move away from maintaining onsite IT infrastructure in favour of systems that are hosted by suppliers and/or provided as a service that includes system hosting known as SaaS (Software as a Service).

There are no anticipated TUPE, pensions and staffing implications, arising directly from the award of this new contract.

4.6 Evaluation

The evaluation criteria for the G-Cloud framework are based on using the MEAT evaluation criteria (most economically advantageous tender) which allows the tendering body to consider best functional fit, quality and whole life cost accordingly. The criteria include:

1. Whole life cost - the cost effectiveness, price and running costs of the service
2. Technical merit & functional fit - coverage, network capacity and performance as specified in relevant service levels
3. After sales service management - help desk, account management function and assurance of supply of a range of services including social value>
4. Non-functional characteristics - for example, supplier terms, help with onboarding and offboarding, scalability, reliability and automatic disaster recovery

The assessment of G-Cloud providers will be measured using clarification questions and systems demonstration and marks awarded as per the below sub-criteria:

Clarification Questions and Demos	Weighting
Technology / functionality	30%
- Main Back Office System	
- Technical	
- Web Integration	
Data migration process	10%
Development roadmap <	10%
Security / Compliance / Support	20%
- Security and Compliance	
- Customer Service	
- Reporting	
- Mobile Working	

Price <incl. implementation costs>	30%
- Software Licensing	
TOTAL SCORE	100%

Each service definition provided by each supplier will assessed using the criteria above, with clarifications if required as permitted by G-Cloud.

The choice of solution will ensure that extra efficiencies and process benefits will accrue:
- Enable automation of internal processes
- Deliver an enhanced online digital offer to residents
- Quicker processing more cost effectively for the community
- Support enhanced case management, business intelligence and document management solutions.

4.7   Business Risks

The key business risks associated with this procurement and implementation are below.

Ref	Key Risks Description	Date Raised	Overall Risk Status	Mitigation Actions
R01	Suitable M3 application replacement will not be implemented in time for end of contract (current assumption 31/3/23).	29/10/21	16	Robust timetable in place with progress monitored at regular Project Board Meetings. Corrective Actions taken where necessary.
R02	Other projects require the specialist resources needed for new planning system	29/10/21	9	Detailed Planning with applications and environment teams to ensure resources are available and prioritised
R04	Availability of IDS application support resources and knowledge of M3LP may lead to a restriction in the availability of subject matter experts.	29/10/21	9	Detailed Planning with applications and environment teams to ensure resources are available and prioritised
R11	Business requirements gathering may be challenge to secure resources	11/01/22	6	Requirements gathering resources available
Risk that selection process is resource intensive
R14	Large amount of data needing to be migrated from existing system onto the new system	18/01/22	8	Detailed migration plan with chosen supplier

4.8   The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

4.9   The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	A new system is required to handle all planning and building control applications for the council.
2 Estimated value	An estimated value of £576k for a 2+1+1 year contract. This includes implementation costs. The estimated value per year is £86.9k.
3 Timetable	Procurement through G- Cloud 12: Mar- Jun 2022.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	The evaluation criteria will be directed by the G-Cloud framework and best value for money based on the functions delivered.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	All items considered and updated in section 4.5 above.
6 Award criteria	The award criteria will be directed by the G- Cloud framework and best value for money based on the functions delivered. 1. Whole life cost - the cost effectiveness, price and running costs of the service 2. Technical merit & functional fit - coverage, network capacity and performance as specified in relevant service levels 3. After sales service management - help desk, account management function and assurance of supply of a range of services

	4. Non-functional characteristics - for example, supplier terms, help with onboarding and offboarding, scalability, reliability and automatic disaster recovery 5. Social Value
7 Any business risks associated with entering the contract	All items considered and updated in section above. Nb. We will ensure that any system wil meet requirements of the new building control safety act.
8 Any other relevant financial, legal or other considerations.	All items considered and updated in section above.

5. Implications

5.1 Financial implications:

As part of the overall council cloud first strategy, this project will be moving the current planning (M3) and building control (Arcus) applications from on premise servers to a single cloud-based application.

This migration will be supported by a transformation budget of £410k that will pay for the project costs and first year's maintenance. The balance of the investment will then be covered by IDS central budget (est. £87k/year) for the rest of the contract.

The IDS central budget will utilise the current annual charges for 2 systems which is £58,369 (M3 – paid for by IDS + Arcus paid for by CWB) and supplement this with savings from hardware, internal maintenance resources and energy costs.

<As requested at CPB an annex, Annex 2, with more detailed cost estimates added>

5.2 Legal Implications:

[Please allow at least 5 working days for legal to supply content before the report is due to be submitted for approval. Please include the name and contact details of the Legal Services colleague who provided the financial implications in the appropriate field at the end of the report.

The proposed contract will be for an initial period of two years with an option to extend by two additional periods of one year each, so the maximum contract term is four (4) years.

The estimated total contract value over the maximum term of four years is £576,000. This is below the Public Contracts Regulations 2015 (as amended) (PCR) 'light touch' regime threshold of £663,540. However, although this is not subject to the full

procurement regime of the PCR, the retained EU principles of equality of treatment, proportionality, non-discrimination, and transparency must be followed.

The proposed procurement strategy is to use the Crown Commercial Service G-Cloud 12 Framework Agreement which provides cloud-based computing services such as hosting, software and cloud support. The duration of the framework is from 28th September 2020 until 27th September 2022. It is available for use by Islington Council.

The proposed procurement route of using the Crown Commercial Service G-Cloud 12 Framework Agreement is a compliant route to market subject to the tender providing value for money for the Council.

5.3   Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

This supports the council's Circular Economy Action Plan and commitment to net zero carbon, moving away from purchasing IT hardware and having to dispose of physical kit when it is end of life, and reducing its use of power to run technical hardware onsite by opting for hosted solutions.

5.4   Equality Impact Assessment Tool:
Please retain this standard paragraph and add relevant text about specific impacts and mitigation below:
The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An EQIA <Equality Impact Assessment> screening process has been completed and as the Assure system is a back-office system it will have little impact on residents. The only very minor change will be a website of web form change which will be of little impact to users.

6.   Reasons for the decision: (summary)

6.1   **For the reasons given in above The G-Cloud framework is the most effective for the project requirements and supplier availability.**

7.   Record of the decision: (to be completed after 5 days on the website and re-sent to Democratic Services)

7.1   I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:

Corporate Director – Community Wealth Building   Date

Appendices
- Annex 1: Milestones and Overall Plan

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Annex 1 – Target Timetable:

Key Milestones Nb. MS Project Plan completed <available>	Current Delivery Date	Notes
Digital Board Approval	4/3/21	
ISL2059 Business Case	11/6/21	
Funding verified – Project Brief, ratified by Project board	15/12/21	
Early Market engagement	28/2/22	May over run slightly due to structured interviews and need for follow up demos
Requirements gathering and process mapping	18/3/22	3 months estimated start Jan 22
Issue Clarification Questions – 4 suppliers	28/4/22	Procurement input / approval assumed
Requirements gathering and process mapping	18/5/22	If business resources available
Approved KEY Decision, selected supplier post workshops	1/7/22	Draft contract need to be prepped
G- Cloud Procurement Contract Award	30/7/22	
TDA design approval sign off	30/7/22	
DPIA signed off	30/7/22	
Pen testing – selected solution	tbc	
MVP available for UAT	30/9/22	Data migration and planning with 3rd party to define reality of these milestones
Delivering other Modules Phased Delivery	30/9/22 – 20/2/23	
Phased Training and Service Transition Completes	30/9/22 – 20/2/23	
Decommissioning of on-prem servers completes	14/3/23	

Annex 2 – Breakdown of Estimated Costs:

Description	Project Costs	Ongoing costs from 2023/24			
		Yr. 2	**Yr. 3**	**Yr. 4**	**Total**
Project Team Staff 0.5 FTE PM (Temp) 0.33 FTE BA (FTC)	£152,525	£0	£0	£0	£152,525
Supplier implementation	£100,000	£0	£0	£0	£100,000
Training	£21,000	£0	£0	£0	£21,000
Contingency Professional Services	£65,000	£0	£0	£0	£65,000
Integrations	£50,000	£0	£0	£0	£50,000
Pen test	£7,700	£0	£0	£0	£7,700
Service subscription (Incl. Storage, and Resident Portal Modules)	£86,900	£86,900	£86,900	£86,900	£347,600
Current M3LP annual support	£0	-£22,624	-£22,624	-£22,624	-£67,872
Current Arcus annual support	£0	-£33,400	-£33,400	-£33,400	-£100,200
Subtotal	**£382,625**	**£30,876**	**£30,876**	**£30,876**	**£575,753**

Estimated costs from project brief plus contingency (£100k)