

Decision Maker: EXECUTIVE

Date: Wednesday 17 January 2024

Decision Type: Non-Urgent Executive Key

Title: Academy Information System and Aspien Corporate Debt Management System Software Licence and Maintenance Arrangements

Contact Officer: Claudine Douglas-Brown, Assistant Director: Exchequer Services
Tel: 020 8461 7479 E-mail: Claudine.Douglas-Brown@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

- 1.1 In July 2018, officers recommended to the Executive that the future provider of the Exchequer Service should undertake a health check of several IT systems used to deliver the service. The Executive noted that due to the complexities of a number of the systems and the need to provide sufficient time to migrate high risk data, these health checks should be carried out within 12 months of the Contract start date to confirm the value for money options going forward.
- 1.2 The Exchequer Services Contract commenced on 1st April 2020; however, the review of the Academy Information System (now known as Capita One Revenues & Benefits) and the Aspien Corporate Debt Management System were significantly delayed due to the impact of the pandemic.
- 1.3 Quotes for completing a full review of the Academy Information System were requested from our IT contractors, BT and from Liberata. Unfortunately, there were delays with obtaining the quotes and the delivery of the report, which was eventually delivered at the end of September 2023.
- 1.4 The report from Liberata recommends migrating to the NEC Revenues & Benefits system with transition costs of £1.52 million and annual costs of £259k on the basis that the NEC system offers greater automation which will improve collection and processing performance, however the indication from colleagues in the London Revenues Group (LRG) is that there is very little difference between the two systems.

- 1.5 Discussions with Liberata regarding the contents of the system review are ongoing and are likely to be completed within the next few months. We are also exploring the greater use of automation that is available within the Academy system.
 - 1.6 The Aspien Corporate Debt Management System is used by the Council's contractors Liberata in conjunction with the Council's financial system Oracle Fusion to bill and collect in the region of £60 million each year and the authorisation for extension of the agreement is due to expire in January 2024.
 - 1.7 The Council changed its financial system from Oracle R12 to Oracle Fusion in April 2022. The review of the debt recovery module, Advance Collections has commenced however it has not been possible to complete this due to the bedding in of Oracle Fusion. It has been estimated that the review will be completed within the next 12 months and if the outcome of the review is that Advance collections should be implemented a further 18 months would be required.
 - 1.8 This report seeks authorisation to renew the licence agreements for both the Academy System and the Aspien Corporate Debt Management System beyond 2024. The cumulative value of these extensions makes this an Executive decision.
-

2. RECOMMENDATION(S)

- 2.1 **Executive, Resources and Contracts PDS Committee is recommended to note and comment on the report.**
- 2.2 **Executive is recommended to:**
 - i) **Approve the renewal of the agreement for the Academy Information system until 31st March 2027 at an estimated annual cost of £182k; £546k over 3 years.**
 - ii) **Approve the renewal of the agreement for Aspien Corporate Debt Management System until 31st January 2027 at an annual cost of £9.9k; £30k over 3 years.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: It is not expected that there will be any adverse impact from the contract extension on vulnerable, adults, children and young people.
-

Transformation Policy

1. Policy Status: Not Applicable:
 2. Making Bromley Even Better Priority (*delete as appropriate*):

(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: Estimated cost: £192k per annum, totalling £576k over the 3 years
 2. Ongoing costs: £182k pa (academy software annual maintenance and £9.9k pa (Aspien annual maintenance)
 3. Budget head/performance centre: Exchequer Services
Total current budget for this head: ££9.23m
 5. Source of funding: General Fund Revenue Budgets 2023/24
-

Personnel

1. Number of staff (*current and additional*): No change to existing staff resource
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement Any tendering procedure must comply with the Public Contract Regulations 2015.
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: Beyond Term extension. Cumulative value of any single and/or all extensions, variations, modifications need to be applied
-

Property

1. Summary of Property Implications: N/A
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A
-

Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: N/A
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): All households, customers, organisations and businesses within the Borough or transacting with the Authority.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Academy Information System (now known as Capita One Revenues & Benefits)

- 3.1 The Academy Information System is the core system for the administration of Housing Benefits and Council Tax Support. It is also the key system for the collection of Council Tax and Business Rates. The system enables the Council's contractors Liberata to manage financial transactions in excess of £432 million annually. The system also supports other functions through the purchase of additional modules as required. As with other software systems, the Council has a rolling agreement (unless notice is given) for which it pays an annual fee for the cost of licences, support and maintenance for the platform and associated modules.
- 3.2 The Academy Information system continues to meet the Council's requirements and it is expected that the system will continue to meet business needs beyond March 2024.
- 3.3 The Council has contracted with Capita Secure Systems Limited, and utilised its core system, the Academy Processing System since 2011 and over time various supplemental agreements, additions, extensions and renewals to the Contract have been approved and effected. The contract operates on a rolling annual renewal basis unless notice is given.
- 3.4 In 2016 the Council entered into an agreement with Capita for several Advantage Digital products which included the capability for online HB claims as well as Council Tax discounts and exemptions applications. These modules were implemented over a period of time with the discount and exemption forms going live in June 2021. They have reduced demand on administrative resources through automated and streamlined processes, however there are additional functions that have not yet been implemented to enable further automation and these are currently being explored.
- 3.5 In 2017 the Advantage Digital Platform (ADP) replaced the existing solution for the MyBromley account which was costly to support and maintain. The approach was that by expanding the use of ADP it would provide a single, joined up web portal system with lower running costs, avoiding expensive integration to achieve a single sign-on between multiple systems.
- 3.6 These additional products are a significant part of the Council's digital offering, providing residents with improved accessibility to council services. The current system and additional modules have proved to be reliable and effective across Finance and Customer Services and is widely used by other local authorities. This allows us to utilise service design used across other councils.
- 3.7 The estimated cumulative spend to date with Capita Business Systems in regard to the Academy contract is £2.58m. The annual cost of the Capita contract renewal will be £182k.
- 3.8 The expiration of authorisation for the current Capita arrangement in 2024 will limit the time within which to conduct a full review of the Academy Processing System and the ADP modules.
- 3.9 Authority is sought to renew the contract with Capita for three years. During the renewal contract period the Council will explore and implement further automation and complete the review of other available systems to assist in determining future requirements and report on the options available at a future meeting of the Executive.
- 3.10 It is important to note that procurement for a new system will be a significant project that may require one-off upfront costs for project management, mobilisation, data transfer and implementation. This key system which is used to support a significant number of council tax payers and recipients of housing benefit payments (the more vulnerable group) is still used by a large number of local authorities with a limited number of alternative systems available.

Aspien Corporate Debt Management System

3.11 The Council has contracted with Ash Information Systems Limited since April 2016 and the estimated cumulative spend to date is £76k.

3.12 The annual cost of the Ash Information Systems contract renewal will be £9.9k.

3.13 Authority is sought to renew the contract with Ash Information Systems Ltd for three years. During the renewal contract period the Council and Liberata will undertake a review of the system to assist in determining whether to implement the Advance Collections module of Oracle Fusion. It is likely the implementation would be carried out in a two phased approach once Oracle Fusion has been implemented and bedded in.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The extension of the contracts is not expected to have any adverse impact on vulnerable, adults, children and young people.

5. TRANSFORMATION/POLICY IMPLICATIONS

The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient and effective services and value for money to our residents. The proposal will allow for a full review of the Academy system and the transition to Advance Collections.

6. FINANCIAL IMPLICATIONS

6.1 Executive is recommended to:

i) Approve the renewal of the agreement for the Academy Information system until 31st March 2027 at an estimated annual cost of £182k; which equates to £546k for the total 3 years.

ii) Approve the renewal of the agreement for Aspien Corporate Debt Management System until 31st January 2027 at an annual cost of £9.9k; £30k over 3 years’

6.2 There is sufficient budget within the Exchequers service revenue budgets to meet the annual budgetary requirements of both contracts above, which comes to approximately £192k per annum in total for the next 3 years at a total cost of £576k.

7. LEGAL IMPLICATIONS

This report seeks approval to;

i) Approve the renewal of the agreement for the Academy Information system (Capita one) for a period of three years until 31st March 2027 at an estimated annual cost of £182k;

ii) Approve the renewal of the agreement for Aspien Corporate Debt Management System with Ash Information Systems Limited for a period of three years until 31st January 2027 at an annual cost of £9.9k.

7.2 The estimated cumulative spend to date with Capita Business Systems in regard to the Academy contract is £2.58m. The annual cost of the Capita contract renewal will be £182k. The estimated cumulative spend to date with Ash Information Systems Limited is £76k and the annual cost will be £9.9k.

- 7.3 The renewal of the Aspien Corporate Debt Management System falls below the threshold set out in the Public Contracts Regulations 2015 (the regulations) whereas the extension of the Academy System would need to comply with Regulation 72 due to the cumulative value falling above the relevant Regulations threshold.
- 7.4 Regulation 72 allows contracts to be modified without a new procurement procedure where the requirement for the additional services/goods have become necessary where a change of contractor cannot be made for economic or technical reasons (for example requirements for interchangeability or interoperability with existing equipment, services or installations) and would cause significant inconvenience or substantial duplication of costs, provided that any increase in price does not exceed 50% of the value of the original contract. The report states that procurement for a new system will be a significant project that may require one-off upfront costs for project management, mobilisation, data transfer and implementation. The reasons given in this report justify the making of such modifications by way of an extension/renewal of both Contracts and would fall within Regulation 72 (1).
- 7.5 The Council's requirements for authorising an extension are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Executive following Agreement by the Portfolio Holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained.

8. PROCUREMENT IMPLICATIONS

- 8.1 This report seeks authorisation for an extension beyond term to renew the agreement for the Academy Information System (known as Capita One Revenues & Benefits) to Capita Business beyond 2024, for period of 3 years ending 31st March 2027. At an estimated annual cost of £182K.
- 8.2 The estimated cumulative spend to date with Capita Business in regard to the Academy Information System contract is £2.58 million. The annual cost of the Capita contract renewal will be £182K.
- 8.3 This report also seeks authorisation for an extension beyond term to renew the agreement for Aspien Corporate Debt Management System to Ash Information Systems beyond 2024, for period of 3 years ending 31st March 2027. At estimated annual cost of £9.9K
- 8.4 The estimated cumulative spend to date with Ash Information Systems Ltd in regard to the Aspien Corporate Debt Management System spend to date is £76K.
- 8.5 The cumulative value of these extension beyond term makes this an Executive decision.
- 8.6 The Council's requirements for authorising an extension beyond term are covered in CPR 23.7.5 and 13.1. For an extension of this value, the Agreement of the Chief Officer, Director of Corporate Services, Assistant Director Governance & Contracts, Director of Finance, and Portfolio Holder must be obtained and approval of Executive. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 8.7 Following Approval, the extension must be applied via a suitable Change Control Notice, or similar, as specified in the contract.
- 8.8 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

9. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

The Academy system is hosted by Liberata who exclusively uses Ark data centres which are committed to the European Green Deal, achieving the ambitious greenhouse gas reductions of the climate law, and leveraging technology and digitalisation to achieve the goal of making Europe climate neutral by 2050. For the last 6 years, all Ark facilities have been powered by 100% renewable energy. To improve sustainability further Ark has developed innovative direct air evaporative cooling capability that dramatically lowers energy consumption and cost, capable of providing compressor free cooling for 100% of every year.

10. IMPACT ON THE LOCAL ECONOMY

This proposal has been judged to have little or no impact on local people and communities.

Non-Applicable Headings:	Personnel implications, Property Implications, customer impact, impact on health and wellbeing, Ward councillor views
Background Documents: (Access via Contact Officer)	Report No. DRR18/011 Executive Committee 11th July 2018 - Retender of the Exchequer Services Contract Report No. FSD21072 Executive Committee 24th November 2021 Academy Information System and Aspien Corporate Debt Management System Software Licence and Maintenance Arrangements