

CABINET

DATE	6 th April 2022
REPORT OF	Councillor Stan Shreeve Deputy Leader and Portfolio Holder for Finance, Resources and Assets
RESPONSIBLE OFFICER	Sharon Wroot Executive Director Environment Economy and Resources (S151)
SUBJECT	Procurement of a Customer and Service Management IT Platform
STATUS	Open
FORWARD PLAN REF NO.	GENERAL EXCEPTION – Not included on the Forward Plan and to be considered under the General Exception rules as laid out in the Constitution.

CONTRIBUTION TO OUR AIMS

The procurement of a new Customer and Service Management Platform (CSMP) strongly supports the Council's values of a Stronger Economy and Stronger Communities, by ensuring efficient and well managed services to the borough. The new platform will improve the utilisation of applications, reducing application management resource and improving integration across services. It will also enable evidence-based decisions by using the intelligence held within our data sets.

The new application will deliver a key commitment in the newly adopted Council Plan which is that we will "join up our data and insights capability to make sure we make the best use of all the information and intelligence held across the Place, and that services are delivered in a way that is more efficient and responsive to the needs of our population".

EXECUTIVE SUMMARY

A combined platform would give the Council the capability to integrate business activity with customer engagement in a meaningful way. By creating a central customer database, the Council can effectively develop links between its service applications, enabling better understanding of customer needs and help inform strategy development and service improvement. This proposal therefore supports the delivery of an Insights function to provide robust evidence on which strategic decisions can be made for the benefit of our community.

The Council's contracts for the current IT applications that deliver elements of this functionality are both due to expire in June 2023. For the Council to remain compliant with the Public Contracts Regulations 2015 and ensure continuity of service, replacement arrangement(s) needs to be procured.

The replacement arrangement(s) will comply with the Public Contracts Regulations 2015, the Council's Contract Procedure Rules, and ensure that the Council achieves

its duty of Best Value.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the commencement of a procurement exercise for a Customer and Service Management Platform.
2. Delegates responsibility to the Executive Director, Environment, Economy and Resources in consultation with the Portfolio Holder for Finance, Resources and Assets to deal with all matters leading to and including the award of the contract for the Customer and Service Management Platform together with subsequent mobilisation and implementation.
3. Authorises the Assistant Director Law, Governance and Assets (Monitoring Officer) to complete and execute all legal documentation in connection with the award.

REASONS FOR DECISION

The decision allows the Council to commence a procurement exercise for the Customer and Service Management Platform and allows the Council to award the contract.

1. BACKGROUND AND ISSUES

- 1.1 The continual effort and resource required with our current approach for procuring and maintaining applications is no longer sustainable. Technology continues to change at pace and customer and workforce expectations far exceed the capabilities of existing line of business applications and business process models.
- 1.2 The InsightsNEL work has brought together the challenges of the current ways of working and helpfully identified the possible solutions. A reoccurring challenge is the number of applications we currently rely upon, and our awareness of critical information held outside of applications and in spreadsheets etc. These applications and spreadsheets are currently relied upon to gather our intelligence and inform our decisions, although the process is convoluted and laborious. The InsightsNEL work has also identified current challenges surrounding our existing application infrastructure. Several prototype activities have taken place and formed a new approach to our application infrastructure and considers a more centralised platform. We have explored the centralised platform in great detail and linked to live projects to test the robustness of the concept with minimal risk and no financial cost to date.
- 1.3 The current digital processes for managing customer requests consists of several applications that form an overall customer platform. These solutions were formed through historic purchases and were previously recognised as “best of breed” solutions. These best of breed solutions are now classed as legacy and to meet current expectations and embrace technology developments, they are being replaced or have procurement activities underway.
- 1.4 The market for software solutions has expanded considerably in recent years and the opportunity to amalgamate different services within one application

platform is now feasible. There are also more possibilities to improve integration between separate applications, where it is not practical to combine into a single application platform.

- 1.5 We have an ongoing challenge in delivering a consistent and business-like approach for the end-to-end process of Council services. This is due to the need to enhance our data quality and reduce the complexities of the underpinning applications used to capture and deliver the end user experience.
- 1.6 Many public sector and private organisations have already made substantial investments in business management software that can support an outcome-based approach. Business management software typically contains a suite of integrated applications that an organisation can use to collect, store, manage and interpret data for numerous business activities. This type of business management software is often referred to as Customer Relationship Management (CRM) platform.
- 1.7 A project team has been established in readiness to undertake the procurement which consists of officers from the service areas, the Commissioning and Strategic Support Unit and The Procurement People. Advice will be sought from Legal Services in relation to development of the terms and conditions and formation of the contract.
- 1.8 The procurement process will be compliant with the Council's Contract Procedure Rules and Public Contracts Regulations 2015.

2. RISKS AND OPPORTUNITIES

2.1 The replacement arrangement(s) will look to address the following risks:

2.1.1 We have an ongoing challenge in delivering a consistent and business-like approach for the end-to-end process of Council services. If we do not implement a combined CRM platform we cannot progress, and we will continue to rely upon manual and labour-intensive processes that introduce the risks identified through recent NEL Insights working groups. Those risks can be summarised as:

- Data Quality
- Human Error in data inputting
- Duplication of Effort. Multiple Contacts for the same issue
- Requirement for continual human intervention (checking accuracy of data)
- Limited opportunity to automate services (coded data does not exist in many of our applications)
- Lack the use of our most trusted data sets – Local Land Property Gazetteer etc.

2.1.2 The current contracts for several of our software solutions are due to expire in June 2023, as the development of the specification and the procurement/implementation/data migration process is lengthy, it is important that a decision is made before June 2022 to allow time for the procurement and implementation to be undertaken. Any delay may require a further extension to the existing contracts.

2.1.3 The new Environment and Regulatory Services applications (which are in the process of being implemented), will need to integrate with this new application. Progressing with the CSMP project quickly will mean that integration work will only need to be undertaken once (with the new application). Should we take longer to procure the CSMP, then we will need to integrate with existing applications and then re-work these integrations for the new application which is an inefficient use of time and resources.

2.2 This project will look to take advantage of the following opportunities:

2.2.1 The software market has developed significantly in recent years and has seen the introduction of easily configurable (low code) platforms that can enable us to build our own solutions for service level customer interactions, rather than buying multiple applications for each service. This revolutionary approach means the extent of the scope is unquantifiable at this point, so we have identified several areas where we feel we can drive the most value and there is credible evidence in other public sector organisations and from reputable suppliers that our scope is achievable.

2.2.2 We must comply with the Public Sector Bodies Accessibility regulations 2018. This regulation states that UK Local Government have a legal obligation to make reasonable adjustments under the Equality Act 2010 or Disability Discrimination Act 1995. Accessibility is about making a website, document or application usable by as many people as possible. When a website, application or technology is badly designed, this creates more barriers that exclude people. Content and design should be clear and simple enough so that most people can use it without needing to adapt it, whilst at the same time supporting those who do need to adapt things. Many of our current applications cannot cater for this legislation. The accessibility requirement will be factored into all future specifications for application purchases.

2.2.3 A data protection impact assessment will be undertaken as part of the procurement of this platform to ensure compliance with data protection law, GDPR regulations and good information governance.

3. OTHER OPTIONS CONSIDERED

- 3.1 **Option 1:** Procure Combined CRM Platform (Preferred Option). This is the preferred option due to the outcomes expected from the Council Plan and is a strategic means to developing our application infrastructure.
- 3.2 **Option 2:** Procure Enterprise Resource Planning Platform. The ERP approach is a visionary aspiration, although pursuing Option 1 and proving the concept of an integrated suite of applications enables us to progress at pace without extensive investment and unquantifiable levels of risk.
- 3.3 **Option 3:** Procure a rudimentary CRM application with integrations to service management applications. This option fails to make use of newer and scalable software solutions.
- 3.4 **Option 4:** Remain as is. This option means we do not move forward with our strategic plans, are unable to further mitigate the risks associated with our current operating model and may result in market challenge from suppliers.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 There is a risk of disruption to service during the transition from the incumbent solution to newly procured solution. Appropriate change management will take place to ensure that disruption is avoided or reduced, and relevant communications will take place using the agreed ICT Change Management Protocol and Project Management change approvals.
- 4.2 The solution should significantly improve our ability to communicate with our residents and tailor our services/communications to better meet their needs. All data will be held in accordance with General Data Protection Regulations.

5. FINANCIAL CONSIDERATIONS

- 5.1 Based on analysis of the market and other recent procurement activities in relation to cloud hosted software, further revenue investment will be required, these implications will be established as part of the procurement exercise. This request is for both additional capital and revenue and whilst it is acknowledged that this may cause an additional revenue pressure, the implementation of this application would enable significant service level efficiencies to be achieved.
- 5.2 The project team will continually monitor costs and potential savings, due to the unquantifiable benefits of this project and the fact that the successful supplier is unknown at this point.
- 5.3 Our existing financial commitments to applications being replaced by the CRM will form part of the revenue required for the ongoing licensing of the new CRM with current applications budgets redirected towards the cost of this new application.
- 5.4 The procurement will ensure that the replacement arrangement(s) represent value for money.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1 As the digital platform develops, it will become the central repository for providing a 360-degree view of the majority (if not all) of our customers. This will subsequently allow us to view, monitor and support the engagement of families, children and young people using Council services and identify trends that can support predictive analytics and early intervention.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 There is a high volume of line of business applications across the Council that are hosted within our on-premise data centre. The on-premise approach for hosting applications is now recognised as a dated approach, with many software vendors only providing their solutions in a Cloud environment.
- 7.2 Whilst the Council has achieved ongoing climate and energy benefits through tactical Cloud hosted purchases and modifications to on-premise ICT infrastructure, the Council cannot compete with technology organisations, such as Amazon, Google and Microsoft. These organisations are achieving far greater climate benefits and our investment will enable us to capitalise on their wider investments.
- 7.3 This proposal will be a Cloud Hosted platform and in time create the Digital platform that can help rationalise on-premise applications and the eventual

decommission of hardware that is no longer as energy efficient, due to it being superseded by innovations in energy efficient cloud infrastructure.

8. CONSULTATION WITH SCRUTINY

8.1 None

9. FINANCIAL IMPLICATIONS

9.1 The estimated capital investment for this scheme is £85,000, which would be required to be funded through borrowing. The debt repayment costs over the life of the asset is estimated at £13k per annum.

9.2 In addition, the new system is estimated to result in a net revenue cost of £85k in 2023/24 and £75k per annum in the following years. These annual costs will have to be met from within the Council's Medium Term Financial Plan and, wherever possible, from efficiencies generated from the new system.

10. LEGAL IMPLICATIONS

10.1 The procurement for a Customer and Service Management Platform is consistent with the stated aims and objectives of the Council underpinning its strategic objectives of Stronger Economy, Stronger Communities.

10.2 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 and supported by relevant officers.

10.3 The delegations sought are consistent with an exercise of this nature.

10.4 Officers should note that an award constitutes a further decision and will be subject to completion of an Officer Decision Record. Where key decision criteria are met such Officer Decision Record will be subject to call in. Award and implementation timelines should accommodate this.

11. HUMAN RESOURCES IMPLICATIONS

11.1 There are no direct HR implications

12. WARD IMPLICATIONS

12.1 The platform will offer an improved service user experience across all areas of the borough.

13. BACKGROUND PAPERS

13.1 None

14. CONTACT OFFICER(S)

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COUNCILLOR STAN SHREEVE

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