

**REPORT ON ACADEMY RENEWAL CONTRACT 2015
REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES**

1.0 SUMMARY

- 1.1 This report seeks approval for the renewal of the Revenues and Benefits software maintenance contract with Capita Business.

2.0 BACKGROUND

- 2.1 The Council has been using the Academy Revenues and Benefits Software product to administer benefits successfully for the past twenty-five years. In 1998 the Council purchased the licence to use the product in perpetuity. However, it is also necessary for the software to be maintained and updated constantly to reflect changes in Regulation. When last renewed the benefit system was subject to a major review regarding Universal Credit and the contract was limited to four years. It is now clear that the Council will be administering Housing Benefits and Council Tax Reductions for the next two to three years.
- 2.2 The software maintenance contract is due to expire on 31st March 2015. Negotiations with Capita Business Services had taken place and approval is now requested to proceed with renewal of the contract for a further three years.

3.0 DETAILS OF THE NEW CONTRACT

- 3.1 The existing contract for administering benefits involves an annual licence fee and a maintenance fee amounting to £54,974 (i.e. £219,896 over four years). Following negotiations with Capita Business Services revised fees have been proposed amounting to £155,700 over the next three years, representing a potential saving of £9,222.
- 3.2 In addition to the reduction in cost the proposed new contract includes four additional modules that will enable a better service to be offered to our customers. Were these modules to be purchased individually the approximate cost would be £30,000. Maintenance fees for the modules are included in the fee detailed in paragraph 3.1.

The modules are:-

eReviews

On line authentication

Management Reporting

Welfare Reform Analysis Tool

4.0 PURCHASE PROCESS

4.1 Whilst the Council has a continuing agreement to use Capita's revenues and benefits system, the product code is owned by Capita. This code is commercially sensitive and Capita would not permit access to it by any other software company. Thus Capita are the only company who can provide system maintenance for this software. For this reason, and because of the specialist nature of the contract it is recommended that Standing Order 8.2.1 is used which requires Executive Member approval be given to go directly to the supplier rather than following the normal tender process. There would be disruption to statutory services should this contract not be renewed.

5.0 LEGAL IMPLICATIONS

5.1 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation

5.2 S1 Local Government (Contracts) Act 1997 allows the Council to enter into a contract in relation to any of its functions

5.3 The Council must comply with its Contract Standing Orders and the Public Contract Regulations 2006 where applicable. The contract does not exceed EU levels.

6.0 FINANCIAL IMPLICATIONS

6.1 The Council has a revenue budget of £122,500 which is used to fund the annual maintenance cost of both the Academy system and the Northgate Document Management system maintenance contracts. The contract cost can be accommodated within the existing budget.

7.0 CONCLUSION

7.1 Capita have provided an excellent product to meet the Council's needs for the last twenty-five years. They have offered a competitive price for the renewal of the maintenance contract and it is recommended that it is renewed for three years.

8.0 RECOMMENDATION

8.1 Executive Member is asked to approve the renewal of the Revenue and Benefits contract with Capita Software Systems as detailed in paragraph 3.

8.2 Executive Member is asked to agree to waiving Standing Orders as detailed in paragraph 4 above.

Contact Officer:

Terry Cutler - Finance Manager

Direct Dialling No: (01903) 221257

Email: terry.cutler@adur-worthing.gov.uk

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

Matter considered and no issues identified

2.0 SPECIFIC ACTION PLANS

2.1 Matter considered and no issues identified

3.0 SUSTAINABILITY ISSUES

3.1 Matter considered and no issues identified

4.0 EQUALITY ISSUES

4.1 Matter considered and no issues identified

5.0 COMMUNITY SAFETY ISSUES (SECTION 17)

5.1 Matter considered and no issues identified

6.0 HUMAN RIGHTS ISSUES

6.1 Matter considered and no issues identified

7.0 REPUTATION

7.1 Matter considered and no issues identified

8.0 CONSULTATIONS

8.1 Matter considered and no issues identified

9.0 RISK ASSESSMENT

9.1 Matter considered and no issues identified

10.0 HEALTH & SAFETY ISSUES

10.1 Matter considered and no issues identified

11.0 PROCUREMENT STRATEGY

11.1 Matter considered and EU procurement issues to be further considered by Legal Services.

12.0 PARTNERSHIP WORKING

12.1 Matter considered and no issues identified