



Report of: Business Partner Manager

Report to Chief Digital and Information Officer

Date: 20th August 2019

Subject: Request for approval to award a contract for the provision of licensing, support and maintenance of the Idox suite of products embedded into the Council's systems following negotiation in accordance with the negotiated procedure without publication of a notice under Regulation 32 of the Public Contracts Regulations 2015.

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- The current support and maintenance contract for the Idox software products expires on 28th February 2020.
- With this in mind and in line with procurement best practice we undertook a 'soft market test' which concluded in July 2018.
- The outcome of that exercise was that we could not establish a viable Business Case to change from using the Idox suite of products for Planning & Building Control, Environmental Action, Asset Management, Entertainment and Taxi Licensing and Housing Management and Land & Property Searches.
- Further the soft market test revealed a limited marketplace with the Idox suite performing at least as well as any of the competitor products.
- The Review Group, with the councils Chief Digital and Information Officer, came to the conclusion that best value for the Council would be to continue to use the Idox suite of products and take the opportunity to negotiate with Idox directly to build and improve upon what we already use.

- Given this position – successful negotiations with Idox have been undertaken and the council is now in a position to enter into a new contract with them.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The software supports all those services that use it in delivering their contribution to the Best Council Plan. Those services are largely focused within the Inclusive Growth, Sustainable Infrastructure, Safe, Strong Communities and Housing themes of the plan. If the software were not available for use, the functioning of these services and their ability to deliver the Best Council Plan would be severely impacted.

3. Resource Implications

- The system is fully embedded within LCC therefore no further resources are required to continue its use. The system is currently supported by a group of module supervisors and also by staff in other areas of the Digital and Information Service (DIS).
- A new contract will maintain the same level of support and provide best value for the Council.
- The contract will be subject to regular review throughout its lifetime

Recommendations

- a) That the Chief Digital and Information Officer agree that a new contract with Idox plc be entered into to cover the continued use and development of the system. The contract will be for an initial period of five years with two possible one year extensions, at a cost of £164,000 per annum.
- b) An Idox Improvement Group will manage the governance and the future enhancement and use of the system.

1. Purpose of this report

1.1 The purpose of this report is to seek the approval of the Chief Digital and Information Officer to enter into a new contract with Idox plc to ensure continued use of the system for a period of 5 years from the 1st October 2019, based on terms negotiated between the Council and Idox.

2. Background information

2.1 The Idox Uniform application occupies a large footprint within Leeds City Council, being used by eight main business areas and underpinning key business outcomes and activities for the Authority. It is used by circa 600 users daily, plus Councillors, and also the public who look at information using the Public Access website.

2.2 The Idox suite supports the outcomes and operations of large parts of the Council.

2.3 The system is the main line of business application which supports the delivery of the following services:

- Planning / Development control
- Building Control
- Environmental Services / Cleaner Neighbourhoods
- Taxi and Private Hire licensing
- Entertainment licensing
- Private sector housing
- Land and Property Gazetteer & Street Naming and Numbering
- Asset Management
- Local Land Charges

2.4 We agreed to undertake soft market testing and to that end a project was established to gather current and future requirements. This was then published on Yortender and we received responses from thirteen suppliers.

2.5 Results of Soft Market Test

2.5.1 The responses received ranged from suppliers who would essentially build us a bespoke system from scratch based on our requirements through to a smaller number of suppliers who already have a proven track record in supplying similar software and systems to other local authorities.

2.5.2 In reviewing these responses the Group came to the following conclusions.

2.5.3 We could not establish a Business Case for change – nothing that we saw from the responses would give rise to the benefits required in order to fund the potential replacement project.

2.5.4 The Group also concluded that there was no appetite to engage in an essentially software development exercise and build our own – the strong preference was to look at vendors who had proven similar systems in use already.

2.5.5 In reviewing the responses Idox was at least as good as any of the two other main competitors.

2.6 Idox Improvement Plan

- 2.6.1 As a result of gathering requirements the Business Analysis Team also uncovered a pipeline of improvement works that could be undertaken at relatively low cost to further enhance the use of the system.
- 2.6.2 The Review Group concluded therefore that the focus of future activities should be directed towards the improvement plan - instead of a potentially expensive and time consuming procurement which would not ultimately deliver any more benefits or improvements than the Idox suite currently delivers. As such, the Review took the decision that best value for the Council would be to continue to use the Idox suite of products and take the opportunity to negotiate with Idox directly to build and improve upon what the Council already use.
- 2.6.3 A formal project has now been established to implement this review and will be led by the Chief Planning Officer with representation from all of the other senior stakeholders as senior customers.

3. Main issues

- 3.1 The software is highly embedded in the organisation and underpins a large number of business processes and is an essential part in determining a large number of our regulatory and compliance functions.
- 3.2 Like other software systems in this category, the software provides a broad range of tools and business process workflows 'out of the box' along with the ability to adapt these to specific situations. This level of configurability is essential to allow changes to the system to map to individual organisations business processes in detail. It is in building up this deep level of relationship between system and business process that significant resource is required, and has been extensively applied in Leeds. These systems are not interchangeable commodities, moving between systems involves major changes to business process and therefore requires a strong business case to demonstrate value in change.
- 3.3 The soft market test identified that there is a very limited market place for alternatives to Idox.
- 3.4 ICT projects contain significant risks of failure. To justify engaging on a large project requires a strong business case identifying clear benefits from the change, or addressing existing weaknesses.
- 3.5 The software is meeting service needs. There are improvements that can be made, which have been identified and will be addressed to bring forward improvements.
- 3.6 There are demands on all services to deliver efficiencies in the short to medium term. The current Idox software is a stable information systems base from which to innovate and deliver efficiencies within an appropriate timescale. A replacement program for the existing Idox software would not deliver any benefits in this time frame.
- 3.7 Given the highly embedded and bespoke nature of the software, supported by the results of the soft market test, there is no reasonable alternative supplier of an equivalent software suite.
- 3.8 The Review Group (Chief Planning Officer, Chief Officer Environmental Services, Chief Officer Asset Management & Regeneration, Chief Officer Elections & Regulatory, Chief Officer Housing Management, Head of Digital Change - City and Community Hub) and the Chief Digital and Information Officer took the decision to

initiate a negotiation, under Regulation 32 of the Public Contract Regulations, with the existing supplier to understand the potential contract terms for a new agreement, to inform the decision on the way forward.

- 3.9 The results of those negotiations have produced an outline agreement that represents best value for the Council and now require approval to award a contract.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place between the lead business users, system administrators, ICT Strategic Sourcing, Procurement and Commercial Services, Chief Planning Officer, Chief Officer Environmental Services, Chief Officer Asset Management and Regeneration, Chief Officer Housing Management and Chief Officer Elections and Regulatory whose services rely on the application.
- 4.1.2 All involved in the consultation fully supported the course of action set out in this report.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no specific issues relating to equality and diversity or cohesion and integration from this piece of work

4.3 Council policies and the Best Council Plan

- 4.3.1 The system is embedded in a number of services across the Directorates and this will support Leeds City Council to achieve its vision of becoming the best City in the UK by supporting the delivery of the following objectives and priorities:
- Being more responsive to the needs of local communities
 - Providing accessible and integrated services
 - Strengthening local accountability
 - Boosting the local economy
 - Maximising housing growth to meet the needs of the city in line with the Core Strategy
 - Generating income for the Council
 - Ensuring a safe, efficient and reliable waste collection service

Climate Emergency

- 4.3.2 This report relates to a software system, its impact on climate change initiatives is mainly through the support it gives those services using it. For example managing vehicle information supporting the Taxi and Private Hire services input to the Clean Air Zone, or through supporting the Planning service to efficiently implement their policies.
- 4.3.3 It directly contributes by facilitating digital working – e.g. electronic document management removing the need for paper copies, through the Planning Portal

allowing members of the public to access information without the need to travel to an enquiry office, supporting flexible working for staff – reducing the need for travel to Council offices.

4.4 Resources, procurement and value for money

- 4.4.1 The system is fully embedded within LCC therefore no further resources are required to continue its use (the system is supported by a group of module supervisors and also by staff in Information Management & Technology teams and the ICT team).
- 4.4.2 A new contract will be negotiated to maintain the same level of support and to provide best value for the Council.
- 4.4.3 The contract will be subject to regular review throughout its lifetime.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Key Decision which is subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 Due to the level of spend it is considered that there is the potential risk of challenge that organisations interested in providing these services have not been provided with an opportunity to tender for this work. In addition, there is also the potential risk of challenge that there are no real technical reasons justifying the use of the negotiated procedure without publication of a notice in accordance with the Public Contracts Regulations 2015, and that the Council are simply seeking to circumvent the application of the rules. However, due to the reasons set out in section 3 above these risks are perceived to be low.
- 4.5.3 In addition, these risks can be diminished somewhat by the publication of a voluntary transparency notice in OJEU immediately after the decision to award the contract has been taken and then waiting 10 days to see if any challenges are made. If no challenges are made the chances of a claim for ineffectiveness being brought are significantly reduced, and would only be successful if the Council had used the negotiated procedure without publication of a notice incorrectly. Further, publishing such a notice will also start time running for any other potential claim for breach of the Regulations, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.
- 4.5.4 However, it should be noted that voluntary transparency notices themselves can be challenged. The recent case of Italian Interior Ministry v Fastweb SpA (Case C-19/13) highlights the limited protection that the voluntary transparency notice route can offer to contracting authorities wishing to make direct awards without following an OJEU process. A grey area remains around whether the protection of a voluntary transparency notice will be available where the contracting authority genuinely, but mistakenly, considers it was entitled to award the contract without notice. It shows that the safe harbour will only be 'safe' to the extent that the justification for the direct award is in itself sound and ready to stand up to the increased scrutiny that the publication of the voluntary transparency notice may well invite.
- 4.5.5 These comments should be noted by the Chief Digital and Information Officer in making the final decision should be satisfied that doing so represents best value for the Council.

4.6 Risk management

- 4.6.1 The risk will be managed in accordance with the Contract Management Plan.

5. Conclusions

- 5.1.1 A new contract is vital to the continuing delivery and development to the services listed in section 2.3. A new contract provides good value to the Council, putting it in a position to continue to deliver high quality services and improve efficiency using appropriate technological solutions to support the work of Council officers and connect them to the public and Councillors.

6. Recommendations

- 6.1.1 That the Chief Digital and Information Officer agree that a new contract with Idox plc be entered into to cover the continued use and development of the system. The contract will be for an initial period of five years with two possible one year extensions, at a cost of £164,000 per annum.
- 6.1.2 An Idox Improvement Group will manage the governance and the future enhancement and use of the system.

7. Background documents¹

- 7.1

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.