

Subject:	Civica Contract	Status:	For Publication
Report to:	Full Council	Date:	8 th September 2021
Report of:	Finance Manager	Portfolio Holder:	Resources
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment	Required: No	Attached:	No
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1.	RECOMMENDATION(S)
1.1	Council is asked to give approval to enter into a 7 year contract with Civica UK Ltd for provision of the Councils Financial Management System – Civica Financials User Interface (UI), through the Crown Commercial Services (CCS) Data and Application Solutions (DAS) framework agreement at a total cost of £311k.

2. PURPOSE OF REPORT

2.1 This report seeks approval to enter into a seven year Corporate Contract through a framework agreement to reacquire and maintain the Council's Civica Financial Management System.

The Crown Commercial Services, Data and Application Solutions (RM3821) is a compliant framework, as exposed in the Official Journal of the European Union (OJEU 2019/S 041-093753)

3. BACKGROUND

3.1 The Council's Financial Management Information System (FMIS) is currently provided by Civica UK Ltd. The FMIS ('Civica Financials') is a fully integrated software package which is used for the production and monitoring of the Council's accounts, raising of orders for supplies and services, payments to suppliers, invoicing for services and production of management information.

3.2 The software proposed, Civica Financial User Interface, is an updated version of the Council's current Civica Financials system as the current software solution is approaching end of life and Civica have advised that it will not be supported beyond August 2021.

3.3 In March 2021 the Council re-contracted with Civica UK Ltd for a seven year period for its Civica Pay cash receipting system, this system interfaces directly into the Civica Financial software and will continue to interface into the new software. Aligning both contracts will enable the Council to re-tender for both solutions at the end of the term, to let as one lot, avoiding any potential multi-vendor issues.

4. RISK

4.1 If the Council doesn't enter into a new contract it would leave its core, critical financial systems being un-supported by Civica, with the potential to have a serious impact on operational activity such as supplier payments, income receipts and production of in year monitoring statements and statutory accounts.

5. FINANCE

5.1 The Council current annual budget for the FMIS is c£33k.

5.2 The total contract value of the seven year Civica Ui contract is £311k. The proposal protects the Council from inflationary risk. Annual charges are fixed for the duration of the agreement and are not subject to RPI or similar indexation, unlike the existing contract terms.

5.3 The table below details the financial implications

Civica UI contract costs

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	£	£	£	£	£	£	£	£
Financials	36,840	36,840	36,840	36,840	36,840	36,840	36,840	257,880
Implementation	910	910	910	910	910	910	910	6,370
Licence	2,100	2,100	2,100	2,100	2,100	2,100	2,100	14,700
Set up	10,017							10,017
Upgrades	3,180	3,180	3,180	3,180	3,180	3,180	3,180	22,260
	53,047	43,030	43,030	43,030	43,030	43,030	43,030	311,227
Existing Base Budget	33,153	33,186	33,220	33,253	33,286	33,319	33,353	232,770
Budget shortfall	-19,894	-9,844	-9,810	-9,777	-9,744	-9,711	-9,677	-78,457

The year one costs include an additional one-off £10k for Civica Consultancy services to oversee and implement the new software.

The table above shows there is a budget shortfall of £20k in year one and £10k in each year thereafter, totalling £80k over the life of the contract. This shortfall will be financed from reserves and provisions.

6. LEGAL

6.1 The Data and Applications Solutions (DAS) Framework Contract (RM3821) has been tendered by Crown Commercial Services (CCS) on behalf the public sector. This process 'pre-qualifies' prospective suppliers and is a compliant route to market. Group 2 of the Framework Agreement is specifically for Local Government and includes Call Off contracts for a maximum duration of 7 years. The Council's incumbent supplier is an 'approved' provider on this Framework Agreement.

7. POLICY AND EQUALITIES IMPLICATIONS

7.1 No policy or equalities implications.

8. CONCLUSION

8.1 In order to continue to have access to a supported financial software solution the Council is required to either re-tender or call off a framework agreement. The Council's contract procedure rules state 'It is considered desirable and in the best interest of the Council for a tender proposal to be negotiated with a contractor already engaged by the Council '(CPR 2.2 iii).