



Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Clare James, Corporate Director Resources	Councillor Michael Vincent, Resources Portfolio Holder	16 December 2021

Procurement of a fully hosted replacement Electronic Document Management System

1. Purpose of report

- 1.1 To seek approval for the procurement of a fully hosted electronic document management system to replace the current revenues and benefits document imaging system.

2. Outcomes

- 2.1 Enable the continued use of cloud based products and services and further develop the cloud based offering as part of the delivery of the #DigitalWyre Strategy.

3. Recommendations

- 3.1 That the procurement of a fully hosted Electronic Document Management System (EDMS) to replace the current revenues and benefits electronic document management system be approved.
- 3.2 That approval is given to deal with the agreement under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules; on the grounds that exemptions may apply where "a framework agreement is available that necessitates the council not having to go out to tender and the goods, works and services will still provide the Council with best value for money". The framework to be used is DAS Framework RM 3821.
- 3.3 That as part of the move to a fully hosted system, existing documents are migrated across and a supplier is appointed under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules; on the grounds that exemptions may apply where "The goods, works or services are of a specialised nature carried

out by only one or a limited number of firms with no reasonably satisfactory alternatives available.”

4. Background

- 4.1** The council's revenues and benefits team use an EDMS provided by Civica for the storage of evidence and information in respect of council tax and business rate payers, housing benefit claimants and council tax support applicants. There are estimated to be around eight million images of documents stored on the current system which will need to be migrated across to a new system.
- 4.2** The current EDMS system is also used for the production of standardised letters covering a variety of revenues and benefits related topics. By utilising the EDMS to generate outgoing correspondence, copies of the letters sent are also automatically saved against the correct account reference and in the correct file. This not only ensures complete records are kept, but also that the storage space available on other software applications and servers is not swallowed-up by revenues and benefits.
- 4.3** Civica previously advised that from August 2021 they would be discontinuing their support for the version of the EDMS currently in use at Wyre, prior to the cessation of our agreement to the end of March 2022. In terms of technology, as it is over 11 years old it is considered to be antiquated, despite providing an adequate facility to date.
- 4.4** The discontinuation of the provision of support and maintenance from Civica for the current EDMS leaves the council with no option other than to procure a new EDMS system in order to ensure that the revenues and benefits services continue to function properly.

5. Key issues and proposals

- 5.1** The requirement placed upon the council by Civica to upgrade to a new EDMS system has provided the opportunity to consider the options available and which EDMS will provide the “best fit” operationally going forward.
- 5.2** Enquiries have revealed that there are two main providers of these type of software systems for Revenues and Benefits services, Civica and NEC (formerly Northgate). With the exception of Ribble Valley BC, who owing to the size of their caseloads do not utilise an EDMS system, all of the remaining Lancashire local authorities use one or other of these providers, as do the overwhelming majority of other councils nationally.
- 5.3** Both Civica and NEC have been given the opportunity to provide demonstrations of the capabilities of their respective systems. Following those demonstrations it was assessed that the NEC EDMS would be more beneficial to the council in terms of functionality and efficiency.
- 5.4**

Importantly, the NEC EDMS is able to integrate fully with the council's NEC Revenues and Benefits, Citizens Access Benefits, Citizens Access Revenues and Citizens Access Landlord software systems, which will save significant amounts of officer time switching between the different systems when processing benefits and council tax work.

- 5.5** The additional benefits to be derived from the system include the fact that the software has the intelligence to read and index incoming emails without officer intervention, and that at no additional cost aside from licence fees, it can also be configured for use by other service areas, such as Legal Services and HR, with the Legal Services team already committed to utilising the software system for file storage and electronic workflow purposes as soon as it is live.
- 5.6** If plans to create an agile workforce operating in a hybrid working environment across the council are to be successful going forward, then an EDMS is required so that all incoming post can be 'scanned' prior to distribution across the council via email. The NEC EDMS will also provide this capability. Again, this will also help the council to work towards its climate change target of reducing its carbon footprint by facilitating hybrid working and thereby reducing home to work travel.
- 5.7** Both suppliers offer fully hosted systems. Given the increased complexities in maintaining integrated software systems, plus the ever increasing difficulties in recruiting experienced I.T. staff, it is considered that the sensible option is to opt for a hosted system, thus removing much of the requirement for technical expertise placed on the ICT team in respect of the EDMS software. This will mean an increase to the annual cost compared to the current budget. There will also be a requirement to migrate the existing documents (estimated to be around eight million) to the new system. Options have been considered but only a limited number of suppliers can do this with confidence and one has been identified that can confidently manage this process within the agreed budget.
- 5.8** The costs associated with the procurement and implementation of the hosted NEC EDMS system are:

EDMS Licensing one-off costs

Module/Service	No of Licences	Amount
Core Licences	50 (includes 3 yrs)	£12,000
Office Connect	50 (includes 3 yrs)	£3,250
R&B Integration	N/A	£6,000

Cloud Services one-off on-boarding cost

On-boarding Service	£14,000
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Implementation Services one-off cost

Implementation Consultancy	30 days	£22,500
Project Management Services	10 days	£7,500
Document Migration (estimated max. cost)		£50,000

Total one-off costs	£105,250
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<u>Annual Costs</u>	<u>Annual</u>
EDMS Licensing annual support	£5,350
Cloud annual services	£34,500

Total yearly costs	£39,850
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- 5.9** The initial one-off set-up costs of £105,250 identified in 5.8 will be met from a combination of the Value For Money (VFM) Reserve and savings identified and slipped by Legal Services (£16,540) for the procurement of a case management system, which this will replace. The VFM reserve is topped up using unspent grant monies awarded to the council by the DWP to help pay for the additional administration costs associated with the ongoing welfare reforms and so this is a suitable source of funding for these changes. The ongoing revenue budget will be partly met from the existing annual budget of £18,030.
- 5.10** In order to minimise the contribution from general balances, the budget provision of £1,080 associated with the running costs of the Mobile Benefits Advice Centre (BMAC) are to be removed. The BMAC was taken out of service in 2019 following the introduction of Universal Credit (UC) on the Fylde coast in December 2018. The vehicle had been used to provide assistance to people wishing to claim housing benefit (HB), but the introduction of UC meant that the council could no longer accept new HB claims from working-age claimants, who instead had to claim UC.
- 5.11** In addition, from December 2018 existing HB claims in respect of working-age claimants were subsequently terminated from the point a change in the claimant's circumstances occurred. These changes meant that the working-age HB caseload immediately started to reduce making the role of the BMAC obsolete. Any doubts regarding the longer term viability of UC have faded, with the migration of the working-age HB caseload now being scheduled to be completed by 2025.
- 5.12** Taking the cessation of the HB scheme for working-age applicants into account, and also the availability of support and advice at the Digital Hub at Fleetwood Market from the Citizens Advice service, the re-introduction of the BMAC would be un-economical and would not provide any tangible benefits or efficiencies to either the public or the benefits assessment team. The BMAC is therefore to be decommissioned and its replacement removed from the capital programme with a saving of £76,000. A capital receipt from the sale of the BMAC is expected and will be used to fund other capital projects.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out

in Part 3 of the council's constitution): "To consider departures from Rules relating to financial and contractual matters if appropriate."

Financial and legal implications	
Finance	The one-off costs, including an estimated £50,000 for the migration of existing documents across to the new system, totalling £105,250 will be met from the VFM Reserve and a contribution of £16,540 slipped for a new legal case management system which this will replace. The ongoing cost of £39,850 will be met from the existing base budget of £18,030 and savings on running costs for the BMAC of £1,080 leaving a shortfall of £20,740 to be met from general balances and with the expectation that the VFM Reserve will continue to be topped-up from new burdens funding each year. This report also formalises the removal of the Mobile Advice Centre from the capital programme and a capital receipt will be generated from its sale.
Legal	A contract for the purchase and implementation of the EDMS will be entered into with the successful supplier for three years, which complies with the Council's Financial Regulations and Financial Procedure Rules. Similarly, a contract for the one-off migration of existing documents will be entered into with the successful supplier which complies with the Council's Financial Regulations and Financial Procedure Rules.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	✓
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	✓
ICT	✓
data protection	✓

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and

signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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