

## Notice of NON KEY Executive Decision

<b>Subject Heading:</b>	Contract award – Civica Property Management
<b>Decision Maker:</b>	Neil Stubbings – Strategic Director of Place
<b>Cabinet Member:</b>	Councillor Paul McGeary – Cabinet Member for Housing & Property
<b>SLT Lead:</b>	Neil Stubbings – Strategic Director of Place
<b>Report Author and contact details:</b>	Danielle Goldsmith 01708 433631 danielle.goldsmith@havering.gov.uk
<b>Policy context:</b>	This proposal supports the objectives within the Havering Plan, in particular to enable a resident-focussed and resilient council
<b>Financial summary:</b>	The proposed contract award would be funded from existing revenue budgets.
<b>Relevant Overview &amp; Scrutiny Sub Committee:</b>	Places Overview & Scrutiny Sub Committee
<b>Is this decision exempt from being called-in?</b>	The decision will be exempt from call in as it is a Non key Decision

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**The subject matter of this report deals with the following Council Objectives**

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place. X

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To approve the award of contract to Civica Property Management (Company number 15485372) via the Back Office Software (BOS) Framework for a new period of 3 years for the Civica Property management application.

### AUTHORITY UNDER WHICH DECISION IS MADE

**Havering Constitution:  
Scheme 3.3.3;  
Powers common to all Strategic Directors**

**2. Expenditure**

2.1 To incur expenditure for their allocated directorate within the revenue and capital budgets as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

**4. Contracts**

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3.

### STATEMENT OF THE REASONS FOR THE DECISION

Civica Property Management (CPM) is the principal software for managing the Council's land and property assets. The core module holds an extensive range of ownership data and is expanded by a series of supplementary modules that support various asset-related functions including:

- Tenancy management e.g. commercial lettings
- Capital accounting
- Helpdesk functions, raising work orders for responsive repairs, planned maintenance, services and safety inspections; and
- Condition, M&E and asbestos surveys

As such, use of the application extends beyond the property teams to include Finance (asset valuations), maintained schools (responsive repair requests) and other client services within the Council.

The software was originally acquired, following a full competitive procurement exercise, as Technology Forge, but the supplier and their application were subsequently acquired by Civica, becoming Civica Property Management.

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Since this time, use of the software has been via a rolling contract which renews annually. Over a period of time, the number of modules in use has gradually expanded and the current contract/licence fee reflects the use of 16 separate modules within the CPM 'suite'.

However, a recent review has identified scope to reduce the number of modules required.

The modules we are removing include the DLO module, case management module and the associated apps/ The council has also chosen to include some additional new modules which will add enhance the functionality of the system, this includes the FRA module and Dashboards.

Release of the surplus modules cannot be achieved under the rolling contract arrangement and it will be necessary to negotiate a new, fixed term contract with the supplier.

A review has been undertaken of the current software market to assess the scope for alternative products that might meet the Council's business requirements. It has not been possible to identify an alternative product that adequately offers the functionality currently provided by Civica PM.

The Civica product is well established in the public sector and is known to be in use across a significant number of local authorities, with an active user group to nurture ongoing development.

Procurement route will be Direct Award through the Crown Commercial Service (CCS) RM6194 Back Office Solutions Framework

### **OTHER OPTIONS CONSIDERED AND REJECTED**

#### **Do nothing**

This would result in the Council incurring inflated annual licence costs for redundant modules that are no longer in use.

#### **Conduct a full procurement exercise**

From the market review recently undertaken it is considered that this approach would involve additional time and expense (office time) to potentially deliver the same outcome, or a sub-optimal product.

### **PRE-DECISION CONSULTATION**

None

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**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Danielle Goldsmith

Designation: Business Manager

Signature: *D Goldsmith*

Date: 4/10/24

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

This report seeks approval to award a contract for the Civica Property management application.

The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The recommendation sought within this report is in accordance with this power.

The estimated contract value is above the services threshold in the Public Contracts Regulations 2015 (PCR) and procured utilising regulation 33 under a framework.

As set out in this report, the contract has been procured via the Back Office Software framework (RM6194). This is a Public Contracts Regulations 2015 (PCR 2015) compliant framework. Officers must ensure they have followed the express framework provisions for choosing a supplier.

### FINANCIAL IMPLICATIONS AND RISKS

This report is seeking approval to directly award a contract to Civica Property Management, the incumbent supplier, for 3 years, at a total cost of £276,433.

The re-procurement of the contract has presented an opportunity to review the specification/modules which are being purchased. This has resulted in a number of modules being removed and some new ones added, which will enhance the functionality of the system. This has been a cost neutral exercise.

The annual cost for the 3 years are shown in the table below, with the prices for years 2 and 3, uplifted by 5.5% and 8% respectively.

	<b>Quote</b>
<b>Year 1</b>	86,376
<b>Year 2</b>	91,126
<b>Year 3</b>	98,416
<b>Total Contract Value</b>	275,918

A one-off project management fee of £515. Is payable from the onset of the contract.

The annual contract cost will be funded from cost centre A46120.

There is a risk that by entering into a contract via a direct award, the Council will pay more for their property management system than would be the case if a full procurement exercise was completed. However, the current supplier is deemed to be the only provider who can currently meet all the Council's requirements. Furthermore, remaining

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with the current provider avoids the implementation costs that would be associated with a change in supplier and system.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no HR implications associated with this decision

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

There are no negative equalities and social inclusion implications and risks associated with this decision and an EqHIA (Equality and Health Impact Assessment) is not required on this occasion.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

Microsoft made an environmental commitment in 2020 to being Carbon 'negative' by 2030 and by 2050 to remove all the carbon the organisation has emitted since it was founded in 1975. Resellers on both the CCS Framework are committed to carbon reduction plans.

### **BACKGROUND PAPERS**

None

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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

**Details of decision maker**

Signed



Name: Neil Stubbings

ELT Member title: Strategic Director of Place

Date: 19<sup>th</sup> December 2024

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_