

Notice of Non-key Executive Decision

Subject Heading:	Arcus Regulatory Services – Project Closure
Decision Maker:	Helen Oakerbee, Director of Planning and Public Protection
Cabinet Member:	Councillor Barry Mugglestone Cabinet Member for Environment
ELT Lead:	Helen Oakerbee Director of Planning and Public Protection
Report Author and contact details:	Michelle Hammond Michelle.Hammond@havering.gov.uk 01708 434356
Policy context:	
Financial summary:	<p>The contract for the Arcus Regulatory Services solution was procured via G-Cloud on a 3+1 year basis.</p> <p>Thus far, £170,663 has been paid which has been realised as a sunk cost. Arcus have been unable to produce the product required, so to continue with project would incur further costs but still with no end product.</p> <p>1 (+1) years of the contract remain and enforcing the 30 day cancellation notice period and closing the project</p>

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	will ensure there is no financial penalty nor any in year pressure.
Relevant Overview & Scrutiny Sub Committee:	Places Overview and Scrutiny Sub Committee
Is this decision exempt from being called-in?	Yes. 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 agree to formally close the project to implement the Arcus Regulatory Services solution without it going live and terminate the G-Cloud contract with Arcus Global.

AUTHORITY UNDER WHICH DECISION IS MADE

The Havering Constitution:

Part 3 of the Council's Constitution

Scheme 3.3.3 Powers common to all Strategic Directors

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. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions.)

Notice of delegation of responsibility for functions in accordance with:

Paragraph 5.1 of Part 3.3

Neil Stubbings, Strategic Director of Place delegated functions within Scheme 3.3.3 to Helen Oakerbee, Director of Planning and Public Protection.

STATEMENT OF THE REASONS FOR THE DECISION

- The Arcus Regulatory Services software was selected by the Council in 2023 as a replacement for the current Civica APP solution for Licensing, Trading Standards, Private Sector Housing, Environmental Protection and Food, Health and Safety.
- During the implementation of the Arcus software, the configuration of the core Arcus system has been discovered to be significantly more complex than

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originally understood, requiring specialist knowledge and a significant investment in time from Council staff to configure it to a point where it is a viable replacement for Civica APP.

- The additional effort required to configure the system has resulted in a significant increase to the project costs and delays to the go-live date.
- Implementing the system without the additional configuration would require a level of compromise to working practices that is not acceptable to the service areas or management, as it would likely be detrimental to the performance of the services and place staff under increased pressure.
- Discussions with Civica have indicated that there is currently no planned end-of-life date for Civica APP and LBH has negotiated and entered into a two-year extension for the current system through to 31st March 2027.
- Continuing to invest time in attempting to implement and manage the Arcus product is considered less favourable than electing to terminate the contract and remain on Civica APP for a further two years, using that time to assess alternative options.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Continue with the implementation

- The work needed to configure the system to a point where it can be a viable replacement for Civica APP is considerable and based on the work undertaken to date is unlikely to be achieved in the next six months.
- The original target go-live date of October 2024 was initially pushed back to February 2025, but that date has slipped further and the last forecast was late-July 2025 at the earliest for the minimum functionality required to move off of Civica APP.
- Based on the forecast delays to go live, as of the point where the project was placed on hold in February 2025 the original baseline implementation cost of £428,144 had risen to a new forecast of £634,877.
- The amount of configuration to the core system has placed a significant dependency on staff from the five team areas that the system is being implemented for. Considerable effort will be required from these staff members if the project continues, which is likely to impact day-to-day tasks within the service areas.
- In addition, there is limited confidence that the investment of officer time and additional funds will merit the value that will be derived from the implementation of the system.

PRE-DECISION CONSULTATION

This decision does not impact residents and does not require consultation.

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

Name: Michelle Hammond

Designation: Head of Public Protection

Signature:

Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council's contract with Arcus includes a termination for convenience clause allowing the Council to cancel the contract on 30 days' written notice. The Council may therefore terminate the contract.

The Council's legal team will draft a termination notice upon request.

FINANCIAL IMPLICATIONS AND RISKS

The contract with Arcus Global was procured in good faith and only after the commencement of the project, was it discovered the Council's need was more complex than Arcus could provide.

The original costs for the implementation of the Arcus Global Public Protection solution were £110,505. In addition, annual licence costs of £40,068 were to be paid. The contract was a three plus optional one-year extension.

The implementation cost of £110,505 has been broken down into milestones:

Completed Milestones (PAID)

- 50% on signature of the contract - £55,252
- 15% Configuration workshops complete - £16,575

Unachieved Milestones (NOT PAID) - £38,676

- 15% Test Data load complete
- 10% System ready for User Acceptance Testing
- 10% Go Live Date + 1 month and following the resolution of all major issues set out in the daily snagging reports shared with the Customer during Hypercare.

The total project and contractual cost for the Council from this aborted venture is summarised in the table below:

	Contractor	Project Team	Total Project
Implementation	£71,827	£239,853	£311,680
Contract Change Notices x2	£18,700	£0	£18,700
Licensing	£80,136	£0	£80,136
Total	£170,663	£239,853	£410,516

Following discussions with Arcus and further understanding of what the requirements of the project were from the authority, the company revised the estimated cost, which was nearly four times higher than the contractor costs incurred at the time of pausing the project. The contract has a clause for a 30 day cancellation notice period with no financial penalty, by enforcing this clause there will be no further commitment.

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The Council now intends to remain within the existing contract with the incumbent software supplier (Civica APP). This contract runs until March 2027.

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

The recommendations made in this report do not give rise to any identifiable HR implications or risks that would affect either the Council or its workforce.

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:

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

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

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable environmental and climate change implications or risks.

BACKGROUND PAPERS

Non Key ED Arcus Case Management 27.10.2023 - Regulatory Service Module for Public Protection Service

APPENDICES

Non-key Executive Decision

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: Helen Oakerbee, Director of Planning & Public Protection

Date: 15 August 2025

Lodging this notice

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

For use by Committee Administration

This notice was lodged with me on _____

Signed _____