



**Notice of a public  
Decision Session - Executive Member for Finance and Performance**

**To:** Councillor Ayre (Executive Member)

**Date:** Monday, 18 November 2019

**Time:** 3.00 pm

**Venue:** The Thornton Room - Ground Floor, West Offices (G039)

**A G E N D A**

**Notice to Members – Post Decision Calling In:**

Members are reminded that, should they wish to call in any item\* on this agenda, notice must be given to Democratic Services by **4.00pm on Wednesday 20 November 2019**.

\*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any items that are called in will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5.00pm on Thursday 14 November 2019**.

**1. Declarations of Interest**

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

**2. Minutes** (Pages 1 - 2)

To approve and sign the minutes of the Decision Session held on 16 September 2019.

**3. Public Participation**

At this point in the meeting, members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Friday 15 November 2019**. Members of the public can speak on agenda items or matters within the Executive Member's remit.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

**Filming, Recording or Webcasting Meetings**

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, this will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (contact details are at the foot of this agenda) in advance of the meeting.

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[https://www.york.gov.uk/downloads/file/11406/protocol\\_for\\_webcasting\\_film\\_and\\_recording\\_of\\_council\\_meetings\\_20160809](https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_film_and_recording_of_council_meetings_20160809)

**4. Approval of ICT procurements with a whole life contract value of over £250k** (Pages 3 - 12)

The report will present the proposals to renew or replace any core ICT systems in the council with a whole life contract value of over £250k. These have been defined as non-key routine procurements as per the council's contract procedure rules and expenditure will fall within existing capital and revenue budget provisions.

**5. Approval of change in scope of ICT Managed (Pages 13 - 18)  
Service Procurement**

This report outlines a proposed amendment the scope of this procurement first approved by the then Executive on 7th December 2017. The scope has changed in that it will focus only on the requirements of City of York Council. The previous report included a joint procurement with Harrogate Borough Council.

**6. Urgent Business**

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Angela Bielby

Telephone: 01904 552599

Email: a.bielby@york.gov.uk

For more information about any of the following, please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

**This information can be provided in your own language.**

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

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 (01904) 551550

City of York Council

Committee Minutes

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Meeting	Decision Session - Executive Member for Finance and Performance [previously Executive Leader (inc. Finance & Performance)]
Date	16 September 2019
Present	Councillor Ayre (Executive Member)

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### **15. Declarations of Interest**

The Executive Member was invited to declare, at this point in the meeting, any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, which he have in the business on the agenda. No additional interests were declared.

### **16. Minutes**

Resolved: That the minutes of the Executive Member for Finance and Performance Decision Session held on 12 August be approved and then signed by the Executive Member as a correct record.

### **17. Public Participation**

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

### **18. Application for Community Right to Bid under the Localism Act 2011**

The Executive Member considered a report that presented the Lord Nelson Public House (Nether Poppleton), Blacksmiths Arms (Skelton) and Lendal Post Office (York) as Assets of Community Value (ACV), for consideration by the Executive Member in the Council's statutory capacity as an Asset of Community Value (ACV) listing authority.

The Asset Managers and Assistant Director for Regeneration and Asset Management were in attendance to present the applications.

The Asset Manager outlined the applications. In relation to the application to list Lendal Post Office, York, as an ACV, the Assistant Director for Regeneration and Asset Management explained why it could not be listed as an ACV. This was because that having taken detailed legal advice on the matter and despite the legislation on ACV being open to interpretation, on the grounds that the building when in use as a Post Office, it was exempt from the ACV legislation due to being an operational business premises.

The Asset manager was asked and explained how the Lord Nelson had previously been taken off the register and delisted as an ACV. He was asked and confirmed that there was no risk of compensation being sought CYC for any financial costs or losses arising from listing as an ACV.

The Assistant Director for Regeneration and Asset Management was asked and gave clarification on why Lendal Post Office could not be listed as an ACV.

Resolved: That;

- a) The Lord Nelson Public House, 9 Main Street, Nether Poppleton, York be listed as an Asset of Community Value (ACV) as it meets the criteria for listing.
- b) The Blacksmiths Arms Public House, Shipton Road, Skelton, York, be listed as an Asset of Community Value (ACV) as it meets the criteria for listing.
- c) The application to list Lendal Post Office, 22 Lendal, York, as an Asset of Community Value be rejected on the grounds that the building when in use as a Post Office was exempt from the ACV legislation due to being an operational business premises.

Reason: To ensure the Council meets its legislative requirements of the Localism Act 2011 and promotes community access to community facilities.

Cllr N Ayre, Executive Member  
[The meeting started at 3.00 pm and finished at 3.10 pm].



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18<sup>th</sup> November 2019

## **Executive Member for Finance & Performance**

Report of Assistant Director, Customer & Digital Services

### **Approval of ICT procurements with a whole life contract value of over £250k**

#### **Summary**

- 1) The report will present the proposals to renew or replace any core ICT systems in the council with a whole life contract value of over £250k. These have been defined as non-key routine procurements as per the council's contract procedure rules and expenditure will fall within existing capital and revenue budget provisions.

#### **Recommendations**

- 2) The Executive Member is asked to approve:
  - the extension to the payments system contract in order to secure capital savings and avoid increases in revenue costs for the next 5 years (Annex A);
  - agree the replacement document management system as recommended with a new procurement rather than an upgrade to the existing system (Annex B).

*Reason: To ensure that councillors consider routine procurement decisions over £250k in value in line with procurement regulations and the public have the opportunity to see transparent decision-making in operation relating to major procurements.*

#### **Background**

3) The contract procedure rules state:

7.7 Where the aggregate contract value (including any extension) is between £250,000 and less than £500,000 then the decision to enter the contract requires the approval of an Executive Member or the Executive unless the procurement is treated as Routine as defined in clause 7.9.

7.8 Where the aggregate contract value (including any extension) is £500,000 or more the decision will be regarded as a Key Decision unless the Chief Finance Officer acting in consultation with the Monitoring Officer has approved the procurement as Routine.

7.9 A Routine procurement is any arrangement that represents a low commercial and legal risk to the Council and relates to procurement of goods, services or works with a clearly defined specification and that clearly relate to the routine day to day operation of the Council. Routine procurements will be limited to items such as utilities, insurance or stationery. Where Officers consider a procurement process may be Routine, they are required to liaise with Commercial Procurement who will advise on the relevant paperwork to be submitted to the Chief Finance Officer. Authorisation to treat a procurement as Routine must be sought before the procurement process commences. A Director may enter a Contract where the procurement has been treated as Routine. An updated register of routine procurement must be presented regularly to the Executive Member for Finance and Performance.

4) It has been agreed for transparency that that whilst the procurements in the annexes have been agreed as routine by the Monitoring Officer and the Acting Section 151 Officer (Chief Finance Officer), and approved by the relevant Chief Officer, each decision will be approved by the Executive Member for Finance and Performance rather than presented in a register.

5) Whilst in some cases the procurement route will be indicated in the annex, as a general rule the most appropriate procurement route will be used in line with professional procurement advice, as determined at the time the council is ready to issue the related specification.

### **Consultations**

6) The council's officer ICT Board, Directorate Management Team and statutory officers have been consulted in the formation of the recommended decisions in this report.

### **Options/Analysis**

7) Any options and analysis considered will be contained within the annexes.



## Council Plan

- 8) Outcomes achieved by the activities covered in this report help to deliver all services across the council, but particularly support the Council Plan 2019 - 23 priority of An Open and Effective Council in supporting the delivery of digital services.

## Implications

- 9)
- a. **Financial:** The procurements will fall within existing capital and revenue budget provisions.
  - b. **Human Resources (HR):** Additional resources will be required to deliver either option of the Document Management System solutions, and existing budget provisions will be utilised for this purpose.
  - c. **Equalities:** None
  - d. **Legal:** The procurement exercise will be undertaken in accordance with the Council's Contract Procedure Rules and the Council's Financial Standing Orders.
  - e. **Crime and Disorder:** None
  - f. **Information Technology (ICT):** As covered in the Annexes
  - g. **Property:** None
  - h. **Other:** None

## Risk Management

- 10) The controls and evidence in this report mitigate/minimise risks associated with the impacts of:
- availability of core systems that the council relies upon on a day to day services;
  - compliance with government security requirements such as the Public Service Network (PSN) requirements, which allows council officers to access government systems as part of their work;
  - compliance with Data Protection/GDPR regulations;
  - with regard to Annex A avoids price increases in the medium term;
  - futureproofing core platforms that digital services rely upon.
- 11) Procurement risks will be minimised by following Procurement Team advice on procurement routes including use of frameworks. Where frameworks

exist for procurements, for example through the Crown Commercial Service or Yorkshire Purchasing Organisation, the buying of common goods and services is consolidated, so that public sector organisations with similar needs achieve value by buying as a single customer. Suppliers tender to get onto the frameworks (including checks such as insurance and PSN compliance), most frameworks have a maximum rates/product costs built in as part of the initial tender, and the suppliers will still compete within the framework to offer the cheapest prices. Also frameworks themselves have to be renewed every four years or sooner which provides a complete re-valuation of the suppliers' offers on a value for money basis.

**Contact Details Author:**

Pauline Stuchfield  
Assistant Director -  
Customer & Digital Services  
Tel No. 01904 551706

**Chief Officers Responsible for the report:**

Ian Floyd  
Deputy Chief Executive/Director of Customer  
& Corporate Services  
Tel No. 01904 552909

**Report Approved**

**Date** 7/11/2019

**Specialist Implications Officer(s)**

Financial: Debbie Mitchell, Corporate Finance & Commercial Procurement Manager  
Legal: Interim Assistant Director - Legal and Governance

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**Annexes:**

Annex A Payment System Procurement  
Annex B Document Management System (DMS) Procurement

**Background Papers:** The Council's Constitution – **Section 4G – Contract Procedure Rules**

<https://democracy.york.gov.uk/ecSDDisplay.aspx?NAME=SD2467&ID=2467&R PID=22470570>

**List of abbreviations used in this report:**

CYC City of York Council

PSN	Public Services Network
ICT	Information & Communications Technology
GDPR	European General Data Protection Regulation
k	Thousand

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## Payment System Procurement

### Introduction / Background:

The council has a corporate solution in place currently for the payments system that allows the council's customers to pay for services online and also provides for example the council's bank reconciliation system which is critical for financial control processes. This was initiated 4 years ago in a 5 year agreement.

By renewing early, a sizable reduction in capital costs can be secured as well as fixing revenue costs for the next 5 years at the same price as the last 4. As well as futureproofing and derisking key elements of a fundamental financial system for the council which is used across a wide range of customer facing systems. It will allow the council to continue to develop a foundation layer around payments and consolidate the approach systems to help to continue to reduce costs in the future.

The council currently pays £25k per annum for the licence and have 1 year remaining on that agreement, to September 2020. The discounted price to recommence on 26 November is £80k for 5 years paid from capital (a 45k capital one off saving over the period based on existing charges). The revenue costs of hosting the serviced, based on transaction levels will be futureproofed and remain at £48,760 per annum. A total cost of **£323,800**.

There is a framework in place for procuring the contract in this way and if approved the award will be made to Civica UK Ltd.

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## Document Management System (DMS) Procurement

### Introduction / Background:

The council needs to upgrade or replace its main document management system which has been in use at CYC since 2009. It was bought originally to serve as a corporate electronic document and records management solution, and now performs the role of document system for a number of the council's major systems such as the Revenues and Benefits systems. It is now one of several DMS's in use at the council, is now 'end of life' in terms of performance and is not PSN compliant. £500k of capital funding had previously been approved in the ICT Delivery Plan in 2019/20 for the capital commitment required for the system and associated staffing resourcing; a revenue budget of £75k per annum exists for maintenance and support.

Two options exist to address the replacement of the outdated system

### Option 1 – Existing System Upgrade

A system upgrade via a framework would meet the council's existing needs, however:

- whilst this would enable the maintain its PSN compliance it would not improve functionality, improve the user interface nor the provision of a platform to build on.
- a straightforward upgrade would maintain only the existing document management legacy of several systems rather than integrating into one system (there are several DMSs in place across the council).
- The quoted cost for this upgrade would be **£679.5k** combined revenue and capital cost for 5 years.

### Option 2 Replacement System (Preferred Option)

Changes have occurred organisationally which means that the marketplace can offer more to meet the council's needs in the following areas:

- The work to introduce the 'Shared Care Records' across health and local authority social care services is moving forward at a pace This is reflected in the experience of York's 'One Team' in which health and social care professionals are working together.
- A new DMS with great functionality will be essential in order to share documentation across partner organisations.

- A neighbouring council has used their own DMS platform to enable sharing of information across health services.
- There are opportunities to renew replace DMS's across the organisation and replacement systems in the market place can cater for this wider expansion of the platform.
- Systems in the market-place can also support and integrate with Office 365 which will be rolled out across CYC going forward.

The wider specified system based on market quotes obtained, would be around **£710k** for 5 years if revenue costs are capped at the £75k per year.

Finally, in both options there is the need to upgrade the associated supported scanning product to the latest version, to mitigate compatibility and functionality issues. This will be included in the specification and is included in the above estimates.

Whether the choice is to upgrade the existing system or to put in place a new DMS significant officer work will be required on data and workflows (i.e. regardless of supplier this work will be necessary).





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**Executive Member for Finance & Performance**

18<sup>th</sup> November 2019

Report of Assistant Director, Customer & Digital Services

## **Approval of change in scope of Managed Services Procurement**

### **Summary**

- 1) This report outlines a proposed amendment the scope of this procurement first approved by the then Executive on 7<sup>th</sup> December 2017. The scope has changed in that it will focus only on the requirements of City of York Council. The previous report included a joint procurement with Harrogate Borough Council.

### **Recommendations**

- 2) The Executive Member is asked to approved the change in scope for this procurement to meet City of York Council's requirements only.

*Reason: To ensure the that councillors and the public have the opportunity to review any change in scope to a key decision made by Executive.*

### **Background**

#### **The Council's Managed Services Arrangements (MSA)**

- 3) The report to the then Executive on 7<sup>th</sup> December 2017 described and sought approval for the proposed approach to procure a technology provider to deliver the City of York Council's (CYC) and Harrogate Borough Council's essential managed network services. Current spend by CYC and partners is around £2million per annum.
- 4) As described in 2017 it is proposed that the new contract will still seek to procure services that include, but are not restricted to, the design, management and support of the council's (and partners') highly resilient and robust data network services (fixed, mobile and wifi), and access to the internet, office and mobile telephone services. Network connectivity, be that internal or external, is a vital requirement to the council's frontline and supporting services as they cannot function without this service being in place, and it also underpins the council's current and future digital programme.

- 5) Since then the firewall element of the MSA has been separately procured and was included in the Capital Programme Monitor considered by the Executive in June 2019, in light of the revised timescales of the procurement process.

### **Previous Executive Approval**

- 6) On 7<sup>th</sup> December 2017 the then Executive approved the following:
- (i) That the proposed approach, outlined in the report, to explore options to procure a technology provider to deliver the managed infrastructure services, be approved.*
  - (ii) That the proposed approach, outlined in the report, to explore options to work in collaboration with Harrogate Borough Council, as part of developing the benefits and opportunities of the existing shared Head of ICT Services arrangements, be approved.*
  - (iii) That the council be authorised to act as the Accountable Body for the Local Full Fibre Network (LFFN) funding regime identified in paragraph 17 of the report, and for any other relevant grant schemes that may become available in the future.*
  - (iv) That authority be delegated to the Deputy Chief Executive / Director of Customer & Corporate Services to approve the procurement process, to approve the terms of relevant legal agreements and to award the resulting contract to the successful bidder, following the conclusion of the process to secure a technology partner to deliver the managed infrastructure service.*
  - (v) That authority be delegated to the Deputy Chief Executive / Director of Customer & Corporate Services to determine the final terms in relation to the LFFN grant and any other relevant grant schemes that may become available in the future, and to give approval to the acceptance of such grants*

### **Change in Scope and timescales**

- 7) It is now clear that the original timescales to deliver this size and complexity of project and procurement was ambitious. The process commenced in 2018 with market engagement and it became clear through that process that further assistance would be needed to deal with the shape and size of the procurement. This procurement partner resource was finally secured in early 2019.

- 8) By Summer 2019, Harrogate's requirements had changed and they are now undertaking a separate procurement process which impacts on the previous approval given as per paragraph 5 (i) and (ii) above. In terms of the implications of this change - this simplifies the 'ask' of the market place, and according to internal, and external independent advice, will not have a detrimental effect on the attraction of the procurement to suppliers in this field. There may be minor impacts in terms of economies of scale and multi area benefits of growth opportunities in the future.
- 9) There is no other change proposed to the procurement and as such all other approvals, risks and implications remain the same
- 10) The council's current contract for the managed service has been extended to allow the procurement process to take place, within procurement rules and existing budgets, and now expires in August 2020.

### **Consultation**

- 11) None required for this report. As the scope of the procurement has changed, and as time and technology available has moved on, the council has been advised to engage again with the market place and a supplier day has been advertised and will be held on 22<sup>nd</sup> November 2019 at West Offices, York.

### **Options**

- 12) There are no other options available.

### **Analysis**

- 13) There are no options to analyse.

### **Council Plan**

- 14) Outcomes achieved by the activities covered in this report underpin all the outcomes described in the Council Plan 2019 -23 and particularly help to deliver:
  - Further progress Digital York and enhance connectivity in the city.
  - Deliver the Council's digital programme to make contacting the Council as streamlined as possible, with information made readily available.

### **Implications**

- 15)
  - a. **Financial:** There are no new financial implications as future costs are expected to be managed within existing revenue and capital plans.

Related planned savings have been mitigated in the short term and future savings will directly benefit CYC only rather than two councils. There may be some loss of economies of scale from one council rather than two, but the contract will be less complex to deliver.

- b. Human Resources (HR):** The project has restarted and appropriate resources allocated to the project with external support and expertise.
- c. Equalities:** There are no equalities implications of this report.
- d. Legal:** This report is to update a change in scope of an existing key decision. The fundamental purpose and significance of the decision has not change, as the major element of the decision related to CYC's own requirements.
- e. Crime and Disorder:** The contract will include the city council's CCTV infrastructure.
- f. Information Technology (ICT):** As described in the report
- g. Property:** The contract will service all council buildings and partners within those buildings.
- h. Other:** No known implications

### **Risk Management**

- 16) There are a number of risks associated with not undertaking the procurement of ICT Managed Services, and these include:
  - a) Failure to provide the required level of ICT Services that are essential and underpin the council's and its partner's frontline service delivery and their supporting services.
  - b) Creating the need for additional capital funding that would be required to meet the future growth requirements of the ICT services covered within the scope of the managed service agreement.
  - c) Anticipated ICT savings will not be delivered.

#### **Contact Details Author:**

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#### **Chief Officers Responsible for the report:**

Ian Floyd  
Director of Customer & Corporate Services  
Tel No. 01904 552909

**Report Approved**

07/11/19

**Specialist Implications Officer(s)**

Financial: Ian Floyd, Director of Customer & Corporate Services

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**Background Papers:**

Managed Services Procurement – Executive December 2017:

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=10194&Ver=4>

Firewall Procurement – Capital Programme Monitor 1 2019/20 – Executive 29<sup>th</sup> August 2019

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=11108&Ver=4>

**List of abbreviations used in this report:**

CYC	City of York Council
MSA	Managed Service Arrangements
LFFN	Local Full Fibre Network
ICT	Information & Communications Technology

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