

Meeting: Cabinet
Date: 29 July 2024
Classification: Part 1
Key Decision: Yes
Title of Report: Approval to award a contract for the Enterprise Resource Planning solution

Executive Director: Claire Shuter, Executive Director of Strategy and Change
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Executive Councillor: Councillor Daniel Cowan, Leader of the Council

1. Executive Summary

- 1.1 The Unit4 Business World software is the Enterprise Resource Planning (ERP) solution used for all workforce planning and financial processing of the Council, and arm's length organisations, including South Essex Homes and Southend Care Ltd.
- 1.2 The system was first installed over ten years ago and is currently undergoing a significant transformation to bring new functionality and self-service capability. This project is due to run until September 2026 with improvements and new modules being delivered in phases over the next couple of years.
- 1.3 The platform is seen as a key strategic solution to support the transformation of the council and replacing this with an alternative at this point is not feasible as there will be no return on investment. It is envisaged that the improvements in progress will deliver efficiencies and enable ownership of data and processes to all officers and managers. Obtaining a return on this investment means that the solution should be used for at least another 4 years.
- 1.4 The current Unit4 Business World contract is a 2-year contract with the option to extend for a further two years, one year at a time, known as a 2-year + 1 + 1 contract via the CCS G-Cloud 12 framework, signed in Oct 2021.
- 1.5 Budget provision is available for Unit4 Business world based on the current CCS G-cloud 12 contract rates
- 1.6 Exploration of the potential opportunities to reprocore this early have led to this proposal which presents a significant cost avoidance over 4 years.

2 Recommendation.

- 2.1 That Cabinet award a new 3-year contract, which includes an option to extend for a further 12 months.

3 Background.

- 3.1 The Unit4 Business World product is nationally-established and is used by many Local Authorities across the Country.
- 3.2 The Business World platform will be a key strategic enabler to support the transformation of the Council and replacing this with an alternative product at this point is not feasible or desirable as there will be no return on investment and the change would have an impact on business continuity. It is envisaged that the planned improvements will deliver efficiencies, improved productivity and enable ownership of data and processes to all officers across the Organisation. The solution will be used for at least the next 4 years to return maximum return on this investment.
- 3.3 The performance of the system is stable and meets current contractual performance measures. The improved functionality over the next 2 years will increase the value-for-money provided to the Council as the system enables process efficiency, self-service and greater automation.
- 3.4 The current Unit4 Business world contract is a 2-year + 1 + 1 contract via the G-Cloud 12 CCS framework, signed in Oct 2021. This contract has been extended once, and the final option to extend is due October 2024. Research was done to understand the cost impact of alternative approaches to re-procuring this software. The options explored were to:
 - 3.4.1 Extend the current contract by 1 year, and then enter into a new 3-year contract in 2025. This would mean the new contract in 2025 would be under G-Cloud 14 CCS framework and subject to new procurement regulations. The cost of this option is £1,876,404.
 - 3.4.2 Enter into a new 3-year contract under current G-Cloud 13 CSS framework in August 2024 with an option to extend for 1 year. The cost of this option is £1,426,676. This is the maximum contract period via G-Cloud. This is the recommended option.
- 3.5 The recommended option presents a cost avoidance of approximately £450k.

4. Reasons for Decision

- 4.1 The reason for this decision is the significant cost avoidance on this contract.
- 4.2 The current contract (minus the possible extensions) runs until 30th September 2024 and the new contract under G-Cloud 13 will need to be awarded by the end of August 24.

5. Other Options

- 5.1 Do nothing.

Whilst there is a compliant contract in place with an option to extend for a further 12 months from 1st October 2024, it does not make financial sense to utilise this option – see 3.4.1. Utilising the current extension means the opportunity is lost to benefit from the cost avoidance on the budget.

6. Financial Implications

6.1 The financial implications, as presented in this paper will achieve £450k cost avoidance over a 4-year period.

7. Legal Implications

7.1 The procurement route proposed is via G-Cloud CCS 13. This is a legally compliant route and will be concluded with the assistance of the Procurement team.

8. Policy Context

8.1 Continuation of the ERP system aligns with the Council's Digital and Data strategies.

9. Carbon Impact

9.1 No change

10. Equalities

10.1 No change

11. Consultation

11.1 Not required

12. Appendices

12.1 None

13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
S151 Officer	Joe Chesterton	21/06/2024
Monitoring Officer	Susan Zeiss	24/06/2024
Executive Director(s)	Claire Shuter	24/06/2024
Relevant Cabinet Member(s)	Cllr Daniel Cowan	28/06/2024