

South Ayrshire Council

**Report by Head of Finance, ICT and Procurement
to Cabinet
of 29 November 2022**

Subject: ICT Support and Maintenance Contracts

1. Purpose

- 1.1 The purpose of this report is to request that the Cabinet reviews and agrees the ongoing contractual obligations in respect of the support and maintenance of key ICT systems for the 2023/24 financial year.

2. Recommendation

- 2.1 **It is recommended that the Cabinet, in accordance with paragraph 22.1 of the Standing Orders relating to Contracts, approves the annual renewal of the support and maintenance contracts for 2023/24 which are necessary to access support, maintenance and in some instances, system upgrades of ICT systems, as detailed in [Appendix 1](#).**

3. Background

- 3.1 The Council owns and operates a diverse range of key ICT systems, hardware and databases to support the operation of services, schools, and customer interaction.
- 3.2 A number of these business applications have been in use for a considerable period of time and are routinely updated by the vendor in line with legislative requirements, cyber-security patching, enhancements, additional features and upgrades throughout the life of their operation.
- 3.3 The Council is obliged to pay an annual support and maintenance fees to enable it to legally operate these business applications and to ensure access to vital security patches, upgrades and support as necessary.
- 3.4 The support service contracts have been determined as not readily obtainable from anywhere other than the contracted vendor, as no equivalent is available due to the specific technical, intellectual property and licensing nature of the service.
- 3.5 Unlike other contractual arrangements that the Council has in place, there may be no contracted end date for these arrangements and the service is renewed on an annual basis. As such, the support and maintenance costs will continue to be levied each year until the Council no longer requires to run the ICT systems to which the payments relate.

3.6 Standing Orders relating to Contracts (Section 22.1) specifies that contracts falling under either the Procurement Reform (Scotland) Act or the Public Contracts (Scotland) Regulations, and requiring negotiation without prior advertisement and competition, must obtain approval from Cabinet before negotiation and award.

3.7 This report addresses contracts which are above the Standing Order (Section 22.1) threshold value of £50,000 per year, with the remaining larger volume covered via delegated powers.

4. Proposals

4.1 The ICT contracts listed in [Appendix 1](#) have been identified as only being able to be supplied by the specified providers, and due to their value, are also subject to the Procurement Reform (Scotland) Act and the Public Contracts (Scotland) Regulations.

4.2 The attached [Appendix 1](#) provides cost information, split between licensing and support cost, in relation to the new Oracle Fusion Enterprise Resource Planning (ERP) Cloud solution currently being implemented as a replacement to the on premise legacy Oracle Enterprise Business Suite (EBS) system. The ERP approach was agreed by Leadership Panel in October 2020 following an extensive option appraisal.

4.3 The costs, whilst high, in comparison to the other system listed in [Appendix 1](#), are key to ensuring the Council operates a state of the art, fully integrated HR, Payroll, Finance and Procurement solution whilst also improving the integrations with certain other Council business systems. The product is also classed as an 'evergreen' solution which means that all future developments and upgrades are undertaken by Oracle (and are included within the licensing cost arrangement) rather than the Council, thereby eliminating the need for any future capital investment by the Council to either upgrade or replace the system in the future.

4.4 Similarly the Council now has in place Zscaler Internet Access (ZIA), Zscaler Private Access (ZPA) and Zscaler Private Service Edge products (ZPSE), as a replacement for the previous Secure Web Gateway product and Remote Access product. These products are modern future-proofed security products. The (ZPSE) product enables the Council to define which users are able to access what applications, regardless of their location. This implementation of a 'zero trust' approach to resource access aids in the Council's Public Secure Network accreditation.

4.5 Approval is sought from Cabinet in accordance with Section 22.1 of Standing Orders Relating to Contracts to renew these contracts over the coming year (2022/23) without prior advertisement and competition.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 Renewal of the contracts listed in [Appendix 1](#) is required in order for the Council to continue to utilise a variety of ICT systems, hardware and databases currently in operation within services. In accordance with paragraph 22.1 of Standing Orders relating to Contracts and Section 6 (1) (b) (ii) of the Procurement (Scotland) Regulations 2016, this renewal can be progressed without the need for prior advertisement and competition.

6. Financial Implications

- 6.1 ICT contract support arrangements will continue to be funded from the existing ICT service revenue budget on an ongoing annual basis with required contractual increases included as part of the 2023/24 budget setting process.

7. Human Resources Implications

- 7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no new risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 If the recommendations are not agreed and the contracts are not renewed, business continuity and reputational damage may result from the Council being unable to use or support/upgrade the systems currently in operation throughout the organisation.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Finance, ICT and Procurement will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Request that Procurement and ICT officers ensure renewal of the contracts listed in Appendix 1 at each contractual renewal date	9 December 2022	Service Lead – ICT Operations

Background Papers [Standing Orders Relating to Contracts](#)

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Date: 18 November 2022

ICT Contracts for Approval

Description	Supplier	Service	Annual Amount
Application - Revs & Bens (Main)	Northgate	Finance & ICT	£79,811
Application - Housing System (Main)	Northgate	Finance & ICT	£61,354
Application – Uniform (Planning)	IDOX	Finance & ICT	£50,000
Application - Service Desk	Sysaid	Finance & ICT	£64,539
Digital Services Platform	GOSS Interactive	Finance & ICT	£57,712
Oracle Fusion Licence Costs	Oracle Corporation UK Ltd &	Finance & ICT	£598,150
Oracle Fusion Support Costs	TBC	Finance & ICT	£246,000
Zscaler	Softcat	Finance & ICT	£176,731

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	ICT Support and Maintenance Contracts
Lead Officer (Name/Position/Email)	Kev Mullen, Service Lead – ICT Operations - kevin.mullen@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Thematic Groups: Health, Human Rights & Children's Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent's education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

