

## **Report to the Cabinet**

**Report reference: C-131-2007/08.**

**Date of meeting: 14 April 2008.**



**Epping Forest  
District Council**

**Portfolio: Finance, Performance Management and Corporate Support Services.**

**Subject: Replacement of the Local Taxation and Benefits ICT System.**

**Responsible Officer: Bob Palmer (01992-564279).**

**Democratic Services Officer: Gary Woodhall (01992-564470).**

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### **Recommendations:**

- (1) That the Cabinet approve the carry forward of the projected underspend of £150,000 on the IT capital budget; and**
- (2) That £65,000 of the underspend be allocated for the purchase of a perpetual licence for the Orbis software package.**

### **Introduction:**

1. A report to Cabinet on 22 January 2007 informed Members of the outcome of the tendering exercise to procure a replacement ICT system for Local Taxation and Benefits. Due to the Government's introduction of the Local Housing Allowance from 1 April 2008, and the consequent disruption, the earliest it was possible to plan for the new system to go live was in August 2008. As the licence for the current Orbis system expires on 30 June 2008 an amount of £25,000 had been anticipated in the costings to allow for a licence extension.

### **Licence Options:**

2. Following recent discussions with the suppliers of Orbis (Anite) it has been possible to negotiate a deal under which the Council would be able to purchase a perpetual licence, rather than relying on a short term extension. Obtaining a perpetual licence would provide the following substantial benefits:

- (a) avoid the need to archive data from the Orbis system, a task anticipated to take not only several weeks of senior business analyst's time but also requiring the use of external consultants;
- (b) avoid the need to store this data in a document retrieval system and maintain it for seven years;
- (c) keep all data available, any archiving would necessitate an editing process;
- (d) avoid the need to transfer current benefit notifications into the document management system, another task requiring substantial analyst time and also considerable disk space.
- (e) keep the data more easily accessible to staff allowing the easier resolution of any queries, including fraud investigations and the recovery of overpayments;
- (f) maintain a better audit trail for external auditors, including the ability to still "drill down" rather than being limited to print outs of archived data, which will facilitate a more straightforward audit process and senior staff time will be saved, as it will be far easier to

comply with requests for data and evidence, the audit that will be the most complicated will be that of the benefit subsidy claim for 2008/09, as part of the year will involve Orbis and part Academy but this audit will not take place until September 2009; and

(g) the external auditors have highlighted this change in system as one of the key risks the authority faces in 2008/09 and the purchase of a perpetual licence will help mitigate that risk.

3. Anite have offered a perpetual licence to the Council for £65,000, as long as an order is placed before 30 April 2008. If the Council does not place an order until after 30 April 2008 the price will increase to £75,000, or a three-month licence extension could still be purchased for £25,000.

#### **Capital Outturn 2007/08:**

4. The capital outturn is usually reported to the meeting of the Finance and Performance Management Cabinet Committee held in June, with a recommendation to cabinet to approve the carry forward of appropriate underspends. A full report on the capital outturn will still be made to this meeting, however that would be too late to put the necessary finance in place to raise an order before the end of April.

5. It is evident that there will be an underspend of approximately £150,000 on the IT capital budget, the exact underspend will be reported in June. This IT budget has not been earmarked for any particular projects and if agreement is given for a carry forward a proportion of it could be utilised for the acquisition of the perpetual licence.

#### **Statement in Support of Recommended Action:**

6. The recommended action will allow the Council to safeguard data without the need to resort to archiving. This will provide savings in officer time and disk space and will also provide easier access to the data for both officers and auditors. Whilst the cost is higher than that of a three-month licence extension, as the licence purchased is perpetual and not temporary the purchase can be funded from capital rather than revenue. Given the anticipated underspend on the IT capital budget this purchase can be funded without the need for a supplementary estimate.

#### **Other Options for Action:**

7. The Council could purchase a perpetual licence but not raise an order until after 30 April. This is not recommended, as it would cost an additional £10,000.

8. The Council could purchase a three-month licence extension, however it is felt that this option does not provide the best overall value for money when staff time and disk space are taken into account.

#### **Consultation undertaken**

9. The only consultation has been the negotiations with Anite.

#### **Resource Implications:**

**Budget provision:** Provision can be made from the carry forward of currently unallocated IT capital budgets.

**Personnel:** The purchase of a perpetual licence will save considerable time for both business analysts and staff in the revenues and benefits divisions.

**Land:** N/A.

**Council Plan/BVPP reference:** IP2 and IP5.

**Relevant statutory powers:** Various Benefit and Council Tax legislation.

**Background papers:** None.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** None.

**Key Decision Reference (if required):** Not a key decision.