

	<p>Executive 13th March 2006</p> <p>Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: ALL
<p>Authority to tender contract for a Client/Business Index</p>	

1.0 Summary

- 1.1 This report requests approval to invite tenders in respect of the supply of a Client/Business Index as required by Contract Standing Orders 88 and 89.

2.0 Recommendations

- 2.1 The Executive to give approval to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 3.16 of the report.
- 2.2 The Executive to give approval to officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in 2.1 above.

3.0 Detail

- 3.1 This report concerns the use of customer data and business data within the council. Currently, customer and business data are held across a number of different corporate and/or departmental systems. Most of these systems specialise in the processing of council services and are effectively “silos” of data with each system potentially holding different details on the same person. For example, a person may have contact with the council for one of its services and by the time the next contact is made significant changes to their personal information may have occurred through address changes, marriages etc.
- 3.2 It is estimated that over 30% of households within the borough will have changes to their address within a year. This places a burden on the Authority to ensure that the information is always kept up-to-date and an understanding of where the information is held. From a customer perspective, they are often asked by the council to provide the same information time and time again. There is little consistency to the format or the quality of the information. If a customer’s data is updated on one system, the change is not recorded across other council systems. For Brent to improve the way it can process

information and offer a high level of service, it needs a single corporate storage of customer and business information.

- 3.3 On 1st December 2005, the Corporate Management Team agreed this requirement as a priority.
- 3.4 The council wishes to invite tenders from suitably experienced and resourced companies to assist it in introducing a corporate Client/Business Index. Companies are required to tender for the following services in relation to the Client/Business Index:
 - Supply of the Client/Business Index software
 - Installation of the software
 - Configuration of the software to meet the requirements of the council
 - Development of the software to meet the additional requirements of the council
 - Ongoing maintenance of the software to ensure that it is kept up-to-date
- 3.5 The Client/Business Index is an innovative and flexible solution that will enable the council to compile a definitive profile of its customers. It is our customer database (adults, children and businesses). In compiling this profile the council will be able to improve the accuracy and quality of the information it holds about its customers. This, in turn, will enable the council to work more efficiently and, in particular, will enable it to process customer enquiries more efficiently. The latter will strongly support the council's objective to improve its customer satisfaction rating and support neighbourhood working.
- 3.6 The Client/Business Index will also ensure that the council complies with the Data Protection Act requirements to store and hold "accurate data" and to ensure that access to our client information is strictly controlled. Studies estimate that 60% of customer data becomes out of date within 3 years.
- 3.7 The project will enable the council to meet the proposed DfES requirements for a Children's database (ISA). In addition it will address the issue raised by the Laming enquiry of children having multiple (unconnected) council reference numbers (see background paper on the Victoria Climbié inquiry).
- 3.8 The Client/Business Index and the corporate Address Gazetteer will be the two key foundation stones on which future council services will be delivered. The Client/Business Index enabling customer centric services and the Gazetteer geographical based services.
- 3.9 The role of the Client/Business Index will be to collate and store the various departmental reference numbers that are used to identify the same client. Information will be obtained from over 15 key council systems and services. Whenever information is needed about that client e.g. to answer a query via the Contact Centre, those reference numbers will be used to access the relevant information from the departmental systems.
- 3.10 Without the Client/Business Index, staff who are trying to answer client questions would have to access each individual system and search for information; such a process is time consuming and requires expert knowledge

of each system. Implementation will reduce call logging times and contribute to the Gershon efficiency programme.

- 3.11 Implementation of the project will enable the council to identify any major change of circumstance that takes place in a household e.g. change of address. Using a tool already available to Brent (LGOL-Net) the IT infrastructure can be configured to automatically generate electronic “alerts” to any other council section providing a service to the customer. Experience from other councils suggests that some 500 daily changes will be identified e.g. change of address, name, date of birth or registration of death.
- 3.12 Just like the Client/Business Index can lead to a single client account, it can lead to a Single Business Account (SBA). Through the Client/Business Index, the council can manage all the transactions with local businesses, whether it's a licensing application, the payment of a business rates account or a query about business support. Utilising Client Index as a Business Index will assist in allowing businesses a single point of authenticated entry into all business interactions with the council.
- 3.13 In November 2005 the Cabinet Office issued its new post e-Government strategy, called “Transformational Government” it outlines what it sees the role of IT in the public sector. The underlying ethos of the strategy is highlighted by the Prime Minister’s covering statement “The future of public services has to use technology to give citizens choice, with personalised services designed around their needs not the needs of the provider. Within the public services we have to use technology to join up and share services rather than duplicate them”. A specific output from implementing the strategy will be “the culture of government will have changed to which embraces – rather than shuns – sharing, which will continue to breakdown the silos perceived today”. For Brent to meet this objective it will need the Client/Business Index (see background paper on Transformational Government).
- 3.14 The Client/Business Index will be utilised by all areas within the council. Customer data is a critical resource and a key asset to the council. Poor quality or inaccurate data severely hampers our ability to support our corporate objectives. Inaccurate data also means that council business processes incur additional financial costs. A recent PricewaterhouseCoopers Data Management survey found that 75% of companies surveyed admitted that defective data impacted on them financially.
- 3.15.1 Currently, there is no central council information about all the council’s customers. The day-to-day reality of our current situation means that we have the following scenarios:
 - Customers registered as having changed address on one system but remaining with their old address on others.
 - Customers registered as deceased on one system but remaining open on other systems. Aside from financial implications of other services remaining open it means that council departments still try to contact the

client not knowing they have died. Such a scenario obviously causes distress to relatives and reflects badly on the council.

- Customers asked for the same information by different council departments. There are a number of business areas where the client is asked to provide information they have already provided to another council dept/section.
- Customers on the same system more than once i.e. their details are duplicated. Similar projects in other councils have found duplicate records on all of their main systems with the biggest problem areas being in Social Care, Electoral Registration and Libraries.
- Strategically we are unable to identify all the services the council is providing to a customer. Council's with this capability are able to profile their customers and target services accordingly.
- Strategically we are unable to target cross-dept services for vulnerable clients because key information about them is not made accessible e.g. a customer identified as blind or disabled. In addition we are unable to monitor, on a corporate basis, our service to the various ethnic groups within the borough.
- Strategically we are unable to track the mobility of the population in Brent and our population numbers. The latter hampers our efforts to provide central government with evidence of Brent's true population.
- Strategically we are unable to take advantages of comparing information about clients and businesses to support the council's initiatives to prevent and detect fraud.

3.16 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Executive.

Ref.	Requirement	Response
(i)	The nature of the Contract.	Supply of the Client/Business Index software Installation of the software. Configuration of the software to meet the requirements of the council. Development of the software to meet the additional requirements of the council. Maintenance of the software to ensure that it is kept up-to-date.
(ii)	The estimated value.	£460,000 over a 4 year period
(iii)	The contract term.	The period for the supply and implementation of the Client/Business Index is 2.5 years assuming a commencement date of January 2007. However, the Council will continue to purchase licences and maintenance services beyond the initial implementation period.
(iv)	The tender procedure to be adopted.	The procedure will follow the European Union process and a notice will be placed on the Official Journal of the European Union (OJEU)

		<p>using the Restricted Procedure.</p> <p>Prior to tendering, a list of a minimum 5 and a maximum of 8 bidders will be short listed using a Preliminary Qualification Questionnaire process.</p>	
v)	The procurement timetable.	<p>Indicative dates are:</p> <p>Adverts placed</p> <p>Expressions of interest returned</p> <p>Shortlist drawn up in accordance with the Council's approved criteria</p> <p>Invite to tender</p> <p>Deadline for tender submissions</p> <p>Panel evaluation and shortlist for interview</p> <p>Interviews and contract decision</p> <p>Report recommending Contract award circulated internally for comment</p> <p>Executive approval</p> <p>[Mandatory minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers (contracts covered by the full EU Regulations only)]</p> <p>Contract start date</p>	<p>27 March 2006</p> <p>04 May 2006</p> <p>22 May 2006</p> <p>5 June 2006</p> <p>17 July 2006</p> <p>8 September 2006</p> <p>13 October 2006</p> <p>10 November 2006</p> <p>December 2006</p> <p>January 2007</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders against the criteria:</p> <ul style="list-style-type: none"> - Ability to meet stated requirements 	

		<ul style="list-style-type: none"> - Period for completion and delivery - Quality - Previous experience - Aesthetic and functional characteristics, which includes design and usability - Technical merit - After sales service - Technical assistance - Price - Running costs - Adherence to procurement/contract requirements - Understanding of the Data Protection Act 1998
(vii)	Any business risks associated with entering the contract.	None specific. Financial Services and Legal Services have been consulted concerning this contract.
(viii)	The Council's Best Value duties.	The Client/Business Index will contribute towards meeting the ODPM's G8 Priority Outcome: establishment of a single business account (see background paper).
(ix)	Any staffing implications, including TUPE and pensions.	None identified.
(x)	The relevant financial, legal and other considerations.	<p>It's proposed that the project operates within its own legal framework. Working closely with Legal Services a specific framework will be devised to address issues concerning Data Protection and statutory legislation. It is hoped that this framework will be based on the good work of other local authorities e.g. London Borough of Hammersmith and Fulham and Central Government's Transformational Government Strategy.</p> <p>There is a need to note that, despite numerous promises, Central Government has still not fully clarified the position on data sharing in the public sector. To some extent innovative authorities, like Brent, have been left to lead the way in enabling modernising our work practices. As ever being leaders of change attracts some risk but business and customer service gains are such that we can feel confident in our position.</p>

3.17 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

4.0 Financial Implications

4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90. Whilst the estimated value for this contract is below £500k, the total project cost is in excess of £500k and Officers consider it is appropriate to seek member approval for the contract.

4.2 The estimated value of the Client/Business Index Project is £600,000. This estimate includes:

- Data matching software
- Data Cleansing
- Hardware
- Supplier support and consultation
- Data extracts from nominated systems
- Brent IT resources
- Project Manager
- Legal costs
- Publicity
- Support for Departments
- Identification and display of change of circumstances
- GIS links

The estimated value of the contract being tendered is **£460,000** over a four year period.

4.3 It is anticipated that the cost of this contract will be funded from existing resources. A provision for e-Government developments of £820k is included within the 2006/07 budget, with the same level projected for future years. It is planned that part of this will be utilised to fully fund this contract for a three to five year period.

4.4 The Client/Business Index lays the foundation for the council to work more efficiently. Further development of this capability will need additional funding e.g. back office software links (adaptors) to enable seamless links between all of our systems and these should be linked to efficiency savings derived from the project.

4.5 Implementation of the Client/Business Index will enable the council to work in a more efficient way. As such the project will be able to demonstrate Gershon model efficiency savings. The Executive need to note that those savings will be highest where the improvement in the quality and timeliness of information coincides with the re-engineering of our back office processes.

5.0 Staffing Implications

- 5.1 This implementation will be provided by an external contractor and will require assistance from Brent Staff.
- 5.2 After the Client/Business Index is implemented, council staff will need to take on the responsibility for addressing any data discrepancies or changes in circumstances identified by the new software for their service area.

6.0 Legal Implications

- 6.1 The estimated value of the contract is higher than the EU threshold for tendering and therefore the contract is subject to the full application of the EU regulations as well as the Council's Standing Orders for High Value contracts.
- 6.2 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 6.3 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar day standstill period imposed by the EU Regulations before the contract can be awarded.
- 6.4 The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request.
- 6.5 The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.
- 6.6 It will be essential that the Client/Business Index is operated in accordance with the Data Protection Act 1998. Failure to do so could lead to substantial court or Information Commissioner challenge whether in respect of individual cases or to Brent systems generally.
- 6.7 Of the ten "data protection principles" set out in the 1998 Act the following are perhaps of particular relevance :
- 6.8 The Second Principle - Personal data shall be obtained only for one or more specified and lawful purposes and shall not be further processed in any manner incompatible with that purpose or those purposes.
- 6.9 The Third Principle – Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

- 6.10 The Fourth Principle – Personal data shall be accurate and, where necessary, kept up to date.
- 6.11 The Fifth Principle – Personal data processed for any purpose or purposes shall not be kept longer than is necessary for that purpose or those purposes.
- 6.12 The aims of the Index are very much in line with the requirements for accurate and up to date information. However, there is a significant issue as regards the second principle. A member of the public (the data subject) provides information to the Council (the data controller) for a particular purpose, be it housing, social services, council tax or whatever it may be. In line with the second principle different sections of the Council are not entitled, or at least not automatically entitled without the clear consent of the data subject, to transfer that information to other different sections of the Council. Use of council tax databases for purposes other than council tax has been a particularly problematic issue. An important aim of the Index is to counter this “silo” structure of information gathering and holding and facilitate data sharing. Guidance from the Department of Constitutional Affairs on Public Sector Data Sharing of November 2003 indicates that, with regard to the second principle a broad definition of the word “incompatible” can be taken and provided that further processing is for a purpose not contradictory to the originally specified purpose or purposes then it will probably not be incompatible with the purpose for which it was originally obtained.
- 6.13 Particular care would need to be taken when data being shared is “sensitive” personal data as defined in the Act which includes information relating to the racial or ethnic origins of data subjects and information about the physical or mental health or condition. This could apply, for example, to the aims set out in the report to target services for ethnic minority and vulnerable people
- 6.14 It will further be necessary to ensure that the sharing of data and the activity around the Client/Business Index generally is in line with the European Convention on Human Rights and in particular its Article 8 which guarantees the right to privacy and family life.

7.0 Diversity Implications

- 7.1 The Client/Business Index will enable profiling of the needs of clients so that the right services can be targeted at the right people. The Index will be able to hold the special needs of customers and any disability. Service provision could be proactively initiated according to the profile of the customer.
- 7.2 The proposals in this report have been subject to screening and officers believe that there are no adverse diversity implications.

8.0 Other Implications

- 8.1 The Client/Business Index lays the foundation for partnership working with external agencies such as the NHS.
- 8.2 The Client/Business Index will be an essential point of reference for the council’s web based customer portal strategy.

9.0 Background Papers

- 9.1 Victoria Climbié inquiry:
See <http://www.victoria-climbié-inquiry.org.uk/keydocuments/lordstate.htm>.
- 9.2 Transformational Government strategy:
See http://www.cio.gov.uk/transformational_government/strategy.
- 9.3 Brent's Implementing Electronic Government Statement 5 – December 2005.
Any person wishing to inspect the above paper can find them on the Brent website at www.brent.gov.uk/egov or they can contact Tony Ellis, Head of IT, Finance and Corporate Resources, Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD Tel: 020 8937 1400.

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