

## **EAST AYRSHIRE COUNCIL**

### **CABINET REPORT – 18 MARCH 2009**

#### **NEGOTIATED ACQUISITION OF NORTHGATE LICENSING SYSTEM**

##### **Report by Depute Chief Executive/Executive Director of Corporate Support**

#### **1. PURPOSE OF REPORT**

- 1.1 To seek the approval of Cabinet for the negotiated acquisition of the Northgate Licensing Software system.

#### **2. BACKGROUND**

- 2.1 From the inception of East Ayrshire Council, the Council has carried out its licensing functions and responsibilities under the Licensing and Gambling legislation without the benefit of utilising any form of bespoke licensing software. Licensing staff have instead created and maintained a number of Microsoft Access databases which only have very limited functionality.
- 2.2 Until April 2007 the administration of the licensing functions within East Ayrshire were carried out by different departments and were only merged at that time within the newly created service of Legal, Procurement and Regulatory Services.
- 2.3 The creation of the new service also coincided with the implementation of a number of significant and comprehensive new pieces of licensing legislation, principally the Licensing (Scotland) Act 2005 and Gambling Act 2005, which have resulted in wholesale changes in the processes and procedures which licensing authorities are required to adopt in the discharge of their functions. In addition, new statutory provisions are due to commence on 1 September 2009 in relation to the creation and maintenance of a licensing register which is required to contain numerous pieces of specified information, available for public inspection and should ideally be provided electronically.

#### **3. THE NORTHGATE LICENSING SYSTEM**

- 3.1 Preliminary enquiries have been made with Northgate Information Solutions Limited in relation to the potential acquisition of their system of licensing software. The Council currently has a contractual relationship with this company in respect of the District Court Administration System (DCAS) which has been successfully operating for approximately the last ten years. This however is due to terminate on the administrative transfer of the operation of the new Justice of the Peace Courts to Scottish Court Services.

- 3.2 Apart from its user friendly functionality the Northgate licensing system has one major advantage over other licensing software systems available from alternative software providers in that the liquor licensing module in particular has been created on a bespoke basis for Scotland. This is reflected in that 22 out of the 32 licensing authorities in Scotland currently operate the Northgate system. The complete system encompasses three individual modules which would provide software in relation to all of the Council's licensing responsibilities. The acquisition of such a system would provide considerably enhanced operational functionality as well as the maintenance of records and licensing data.
- 3.3 Northgate have also indicated that should the Council determine to proceed to acquire their licensing software system before 27 March 2009 they would be in a position to simply transfer the existing DCAS software licence to the licensing system which would represent a saving of £30,000 against the costs of acquiring the system after that time. This proposed financial incentive would accordingly give additional support to the proposal to enter a negotiated contractual relationship with Northgate.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Should the Council determine to proceed with the acquisition of the complete system by 27 March 2009 and taking the proposed saving detailed in paragraph 3.3 the maximum total costs (including optional interfaces, support costs and annual service days) over a period of five years would be £112,000.
- 4.2 However, as the Council's Standing Orders Relating to Contracts at paragraph 20(1) are to the effect that, "Where the appropriate Executive Director/Executive Head of Service/Head of Service considers that a tender should be negotiated with one person, he/she shall, before entering into negotiations, obtain the support of Cabinet, both in respect of the negotiation and of the person with whom the tender is to be negotiated, stating the reasons for the proposed negotiated procurement route", the approval of Cabinet is required to allow further discussions to take place in respect not only of the acquisition of the main system but also to allow discussion to determine whether the acquisition of any optional part of the system would be required.
- 4.3 The proposed acquisition of the system can be accommodated within existing licensing budgets and initial acquisition costs can specifically be funded by monies currently held in respect of licensing income received in respect of applications which have already been submitted under the Gambling Act 2005 and Licensing (Scotland) Act 2005.

## **5. LEGAL/POLICY/HUMAN RESOURCES IMPLICATIONS**

- 5.1 Even on the acquisition of the complete system the maximum costs over a five year period are under the existing EU threshold for services contracts of £139,893 and accordingly are not subject to the full requirements of the contracts regulations.
- 5.2 However, as detailed in paragraph 4.1 above the approval of Cabinet is required in terms of paragraph 20(1) of the Council's Standing Orders Relating to Contracts due to the proposed negotiation of contractual terms with Northgate Information Solutions Limited.
- 5.3 There are no policy or human resources implications arising from the contents of this report.

## **6. COMMUNITY PLANNING IMPLICATIONS**

- 6.1 There are no community planning implications arising from the contents of this report.

## **7. RECOMMENDATIONS**

- 7.1 It is recommended that Cabinet:
- (i) Approves the negotiation of a contract for the acquisition of a comprehensive licensing software system with Northgate Information Solutions Limited at a maximum value over five years of £112,000 in accordance with paragraph 20(1) of the Council's Standing Orders Relating to Contracts, and
  - (ii) Otherwise notes the contents of this report.

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10 March 2009

## **LIST OF BACKGROUND PAPERS**

Nil

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