

# **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

## **Cabinet**

**Wednesday 5<sup>th</sup> February 2025**

### **Report of the Head of Property & Regeneration – Simon Brennan**

#### **Matter for Decision.**

#### **Wards Affected:**

All wards.

#### **Economic Development CRM System – Contract Renewal**

#### **Purpose of the Report**

The purpose of the report is to seek Members agreement to enter a new three-year contract with Alcium Software Ltd on a direct award basis for the continued delivery of the Economic Development Team's bespoke Client Relationship Management (CRM) system.

## **Executive Summary**

In March 2023, the Economic Development Team procured a Client Relationship Management system called Evolutive to support the delivery of its Shared Prosperity Fund (SPF) business support project. The contract at the time was for two years with the option to extend for a further year.

However, the needs of the service require the use of the system over a longer-time period to:

- Deliver current and planned activity including the Tata grant funds.
- Respond to audit requests or challenges relating to externally funded programmes.
- Retain the data held to comply with subsidy control and General Data Protection Regulations.

There are funds available in the Team's SPF budget that can cover the costs of a new three-year contract if this is completed by February 2025.

However, the quotes provided fall outside the agreed variations under the Contract Procedure Rules and therefore, Cabinet approval is needed to proceed.

## **Background**

During Covid, the Economic Development team delivered ten rounds of Welsh Government Grant support, processing 1,874 applications to a value of £2.5m over an 18-month period. For the majority of these, the various processes from application submission to grant payment were handled manually. Similarly, all reporting to Welsh Government was collated manually.

During this time, through regular meetings with Economic Development colleagues from across Wales it became clear that many were using digital systems to support these processes. At that time, the Economic Development Team was using a CRM system that had been developed in-house on a piecemeal basis over 15 years. Due to the pressures of Covid, the IT Team did not have the

resources to redevelop the system to support the delivery of the grant funds required.

Based on this experience and the fact that the current CRM system no longer met the Team's needs, it was clear that a new system was essential. Further, there was the opportunity to develop and deliver a business support project through the UK Government's Shared Prosperity Fund (SPF) and this provided the impetus to look at the options.

The Team approached their Economic Development colleagues across Wales to identify who was using digital systems and whether these had been developed in-house or were procured. We were particularly interested to know where these were used to deliver grant programmes. A number of Council's were using a system called Evolutive and we met with colleagues from three of these to discuss the system and were given demonstrations on how they used it.

With a clear idea of the activities to be delivered through our proposed Shared Prosperity Fund project, we arranged a demonstration of the system with supplier Alcium Software. This drew upon the experiences of many Council's across the UK who use the system and it was clear that it could support the delivery of our project as well as our ongoing Economic Development activities.

A meeting was held with IT to discuss Evolutive and whether a new system offering the same options could be developed in-house. Whilst there was the capability to do this, unfortunately, it did not have the resources to do this in the timeframes being worked to. The development of a new system had been budgeted for in our required to support the delivery of the SPF project and therefore we received approval to procure the system.

## **Current Position**

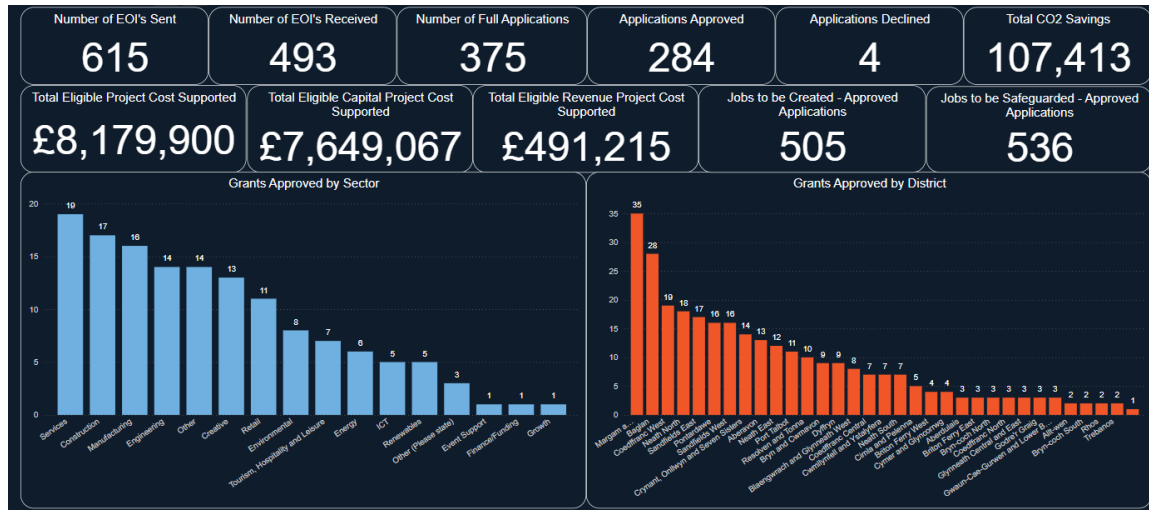
Our SPF Business Anchor Project received approval in December 2022. However, the procurement of Evolutive was not completed until March 2023. Further, the development of the system ran alongside emerging requirements from UK Government.

The grant fund was central to our SPF Project and the processes for this would be mirrored by other project activities. Thus, it was key that the grant processes were established initially.

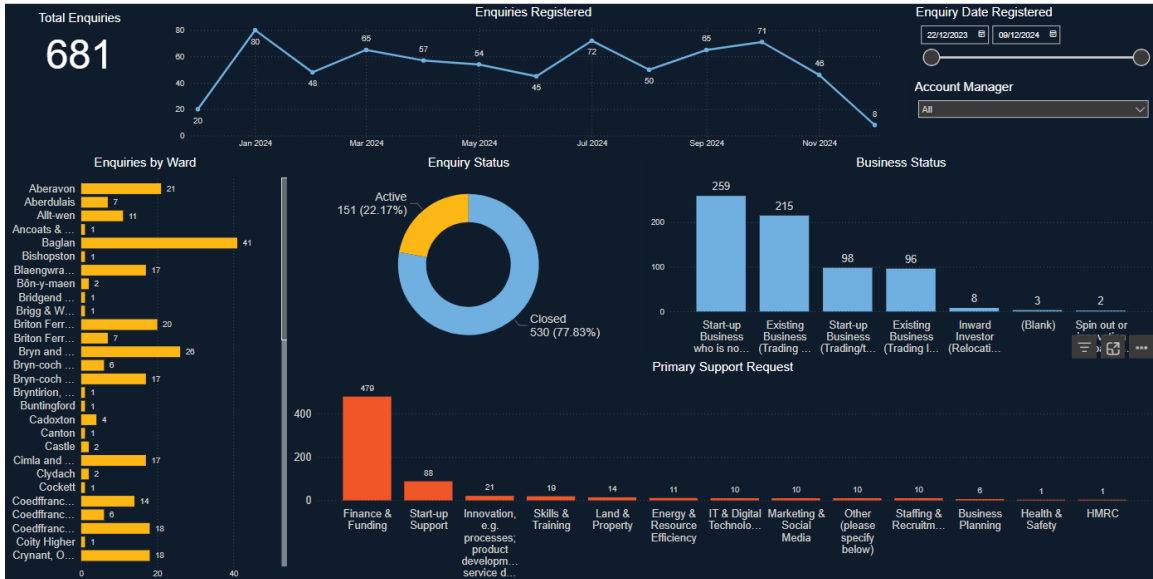
The first grant applications were trialled through the system in May. As expected, as we became more familiar working with the system and based on client experiences, various teething issues led to further developments and changes being made. In addition, new requirements from and changes made by UK Government added to this.

New activities were then added and processes for the collection and reporting of the key project outputs and outcomes established. The following illustrations provide a summary of these for different activities.

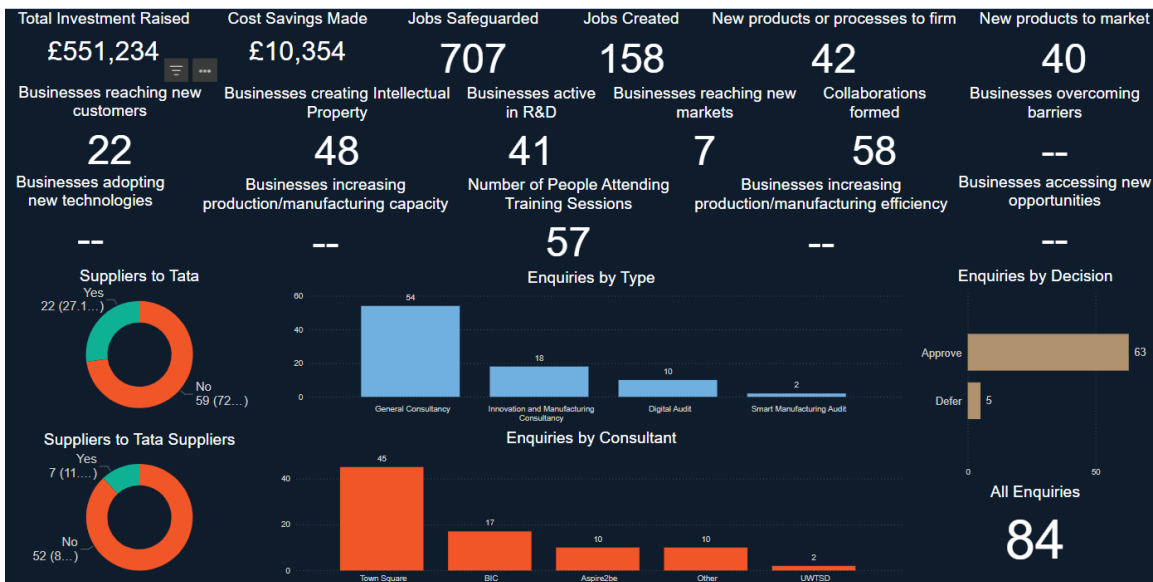
### 1. Grant Fund



## 2. Enquiries



## 3. Specialist Support



Overall, it has been challenging developing the new CRM system whilst simultaneously delivering the SPF project. However, the capability of Evolute to support this has been proven. Further, the information held in the system has enabled us to identify demand

from businesses for particular support, and with the flexibility of our SPF project we have been able to respond to this.

With greater familiarity with the system, there are thus opportunities to identify demand for new and enhanced services and to develop processes to support new activities more quickly. Further, its capability in terms of reporting options has yet to be fully explored.

The Economic Development Team has recently been tasked with delivering a range of grant funds on behalf of UK Government to support businesses impacted by the Tata transition. This will continue through to March 2026 with a further option to extend until March 2027. Evolutive is to be used to support the application and claims processes for these. The total value of the funds to be delivered is in excess of £20m.

Further, UK Government has announced funding from April 2025-March 2026 as an interim measure pending its expected announcement in the spring of 2025 of its replacement for the SPF Programme. Whilst details are unknown, it is anticipated that this would provide funding for projects to run for a three-year period.

The local design and delivery of projects through the SPF Programme enabled activities to be developed under each theme that directly met local needs. This has worked well and has been widely fed back to UK Government through various consultations. If this approach is adopted for the delivery of the new programme, then there could be the opportunity to develop a new package of support for businesses and new business start-ups from April 2026 to March 2029.

As with many public funded programmes, there is a requirement that the data is held for a period beyond the closure of the project to respond to audit requirements, any challenges raised and to meet the General Data Protection Regulations.

Based on the foregoing, the Economic Development Team is seeking Member approval to enter a new contract with Alcium Software for its Evolutive CRM system for the next three years from April 2025-March 2028.

## Financial Impact

There will be no cost to the Council for the new contract as explained below.

The initial contract for Evolutive was a call off from the G-Cloud 13 framework for two years with the option to extend for a further year from 13<sup>th</sup> March 2025-13<sup>th</sup> March 2026. This was funded through the Economic Development Team's SPF project. The upfront cost of £21,390 has covered all the development work needed for the project to date, training, and 17 user licenses.

The cost to take up the extension offered under the current contract to March 2026 would be £13,490 + VAT with all new development work at an additional cost.

However, due to the operational needs of the service, the continued use of Evolutive will be required beyond that date and based on the quotes below, do not fall within the accepted variations under the Council's Contract Procedure Rules. Hence, the need to seek approval to proceed. The quote from Alcium Software is as follows:

Direct award:

18 Fixed User Licence system @ £10,660 for 3 years = £31,980 less 5% discount for payment up front = £30,381 + VAT

G-Cloud 13 Framework:

System price @ £5330 + VAT + 17 additional Fixed User @ £480 + VAT per User = £8160 + £5330 = £13490 + VAT per year. Thus £40,470 + VAT for the three years

Development costs are additional in both cases.

As Evolutive will be used to deliver activities in the transition year the above costs will be met out of the current SPF budget and therefore at no cost to the Council. Further, as the development work for the Tata funds will provide the template to support these activities, these costs are also being met through the current SPF budget.

### **Integrated Impact Assessment:**

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment has indicated that a more in-depth assessment is not required.

### **Valleys Communities Impacts:**

The continued delivery of the Economic Development Team's bespoke Client Relationship Management (CRM) system supports the delivery of business support projects that aim to make a real difference to our Valley communities, i.e. delivering services to local businesses to create wealth and help improve employment opportunities which is one of the key themes of the Council's Corporate Plan.

### **Workforce Impacts**

No implications.

### **Legal Impacts**

The contract is below the relevant threshold under the Public Contract Regulations 2015 and so they do not apply.

As such it is the Council's Contract Procedure Rules (CPR's) that apply.

Authority is being sought to exclude the CPR's in accordance with the CPR's and so this is compliant. Therefore, there is no legal risk of challenge.

### **Risk Management Impacts**

No issues anticipated due to past service performance of using the vendor to develop and implement the current Client Relationship



Management System as no concerns with reliability; policies to protect data; incompatibility and migration of data, downtime of the system or unexpected costs have been experienced.

### **Consultation:**

There is no requirement for external consultation on this item.

### **Recommendations**

It is recommended, that having had due regard to the integrated impact assessment, that Members approve a new three-year contract by direct award with Alcium Software Limited for the continued provision of their Evolutive CRM system.

### **Reasons for Proposed Decision**

The reasons for the recommendation are as follows.

- The CRM system is integral to the delivery of current and planned activity including externally funded programmes.
- Delivery timeframes e.g. Tata grant funds, do not allow for an alternative system to be considered and procured.
- External funding is available to cover the costs if completed by February 2025.

### **Implementation of Decision**

**‘The decision is proposed for implementation after the three day call in period’** (note: this is the default option and is expected to be the option that is used in most reports.) Please note that you should not implement recommendations until the three day call-in period has elapsed.

### **Appendices**

None.

## List of Background Papers

None.

## Officer Contact

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