

Guidance note – Software Market Intelligence Tool

High level insights

- Most markets show low levels of competition, when benchmarked using HHI index - although there is a range
- Prices are generally justifiable, but there are cases of overpaying. Councils also pay in a range of different ways.
- It is common for councils to be locked into contracts up to 2030, with some cases of 10, or 15+ years
- The average cost of systems - even complex, bundled systems - is low (£150-250k), which makes intervention difficult
- Widespread bundling makes adopting new tools, even those funded by MHCLG, more difficult
- Councils complain about quality of most systems. Often there is no market outside of local government for key software, stifling incentive to innovate

Service areas analysed

To date, we have analysed the market and procurement trends for six service areas that represent the major areas of council procurement spend; either because they are the largest by annual cost or because they are central to a council's technology infrastructure. These are:

- Adult Social Care
- Children's Services
- Housing Management
- Revenues and Benefits
- Finance and Income Management
- Enterprise Resource Planning

Data sources

We have analysed data from a wide range of publicly available sources. For each service area, our aim has been to include every relevant council. Our four main data sources are :

- published contracts - for example on the national Find a Tender Service and data aggregated by platforms like Tussell
- spend data - published by councils on their websites, usually taken from their financial systems and disclosed as part of statutory reporting
- contract registers – providing an up-to-date view of a council's current contractual arrangements
- Freedom of Information response - In some cases, we've used public FOI responses where a council has responded to a request about a specific contract or software system

Data validity

Much of this work has been manual with some automation, which has occasionally made validation challenging. It is important to caveat that the current data will not be complete and having been collated via web scraping and data aggregation, if any of the publicly available data is missing or out of date, then so will our records be.

For the data to be truly accurate, we would need a centralised process to collate and validate individual council spend.