Meeting of:	**Cabinet**
Date of Meeting:	**Monday, 14 February 2022**
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Housing Services ICT, Contract Award
Purpose of Report:	To introduce the procurement process undertaken in the provision of a new Housing software package.
Report Owner:	Cabinet Member for Housing and Building Services
Responsible Officer:	Miles Punter – Director of Environment and Housing
Elected Member and Officer Consultation:	Elected Members consulted - Cllr M. Wilkinson Officers consulted – Mike ingram - Head of Housing and Building Services Victoria Davidson, Operational Manager Legal Services Carolyn Michael - Interim Head of Finance/S151 Officer Yvette Campbell - Procurement Officer Nick Wheeler, Operational Manager ICT
Policy Framework:	This is a matter for executive decision by Cabinet

Executive Summary:

- This report brings to the attention of Cabinet the investigation and preparatory work into the Council's Housing Services software. This software supports Housing and Building Services in the delivery of services to our customers and is now showing signs of age and requires considerable investment to replace with a new fit for purpose system. This report introduces the financially restricted information provided in the Part II report.

Recommendation

1. That Cabinet notes the procurement process with a view to taking a decision on this matter via a Part II Report later on this agenda.

Reason for Recommendation

1. To apprise Cabinet.

1. Background

1.1 The Current Housing management system used within Housing and Building Services provides a range of functionality supporting the Housing service to manage the Housing stock, ranging from property allocation to rent management, responsive repairs, void management etc. The Current software system, OHMS, is a product offered through Northgate, and has served the Council's Housing service well over the past twenty years. However, as with most software products, they are constantly being upgraded and improved to respond not only to demands for improved functionality but also to respond to legislative changes in the management of homes.

1.2 In response to these changing demands within the Housing environment, Northgate has developed a new product which provides improved functionality to meet the current demands and expectations. However, this has meant the OHMs software system has become outdated and has not been developed because it would require a fundamental rewrite of the operating code. Consequently, with most landlords wishing to take advantage of the improved functionality offered by new systems, the OHMS software has not been developed. The Council has tried to keep up with the new developments offered, by trying to improve the online customer experience; this is costly, but this technology already exists in modern housing systems. Additionally, the module used for Housing repairs is volatile and may not be recoverable should there be a server failure.

1.3 As a consequence of the lack of development and reduced functionality of the OHMS system, a Software consultant specialising in the housing sector was appointed to review the system used within Housing Services and found a number of the software packages used were old and would be no longer supported in the near future. Having considered whether it was better to procure a number of 'best in breed' systems linked together against a single supplier, it was found the single supplier offered advantages in ensuring all the system components communicated effectively and reduced the number of potential communication issues between systems. Additionally, there were found to be financial benefits in annual maintenance agreements through one supplier rather than several suppliers.

1.4   Following the system review, work has progressed to develop a specification for a replacement Integrated Housing Software System, which meets current service requirements, provides increased functionality, including self-service customer access and information and future-proofs the service requirements.

2. Key Issues for Consideration

2.1   The replacement of the Housing Management Software is essential to maintain the Housing Service with some existing modules having reached end of life and presenting problems with future development requirements. Housing staff have been consulted and have contributed to the production of a specification which is suitable for tender.

2.2   The Council's ICT team have access to Crown Commercial Services Framework RM3821 Data and Application Solutions where all the major system suppliers are listed and this framework was used to tender the Housing ICT replacement.

2.3   Emergency Powers were sought in July 2021 to enable the tender process for the new ICT system to commence via further competition under the above mentioned supplier framework.

2.4   Tenders were received as provided in the Part II Cabinet report and successful suppliers were invited to demonstrate their software for final evaluation.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1   **Looking to the long term** – The Current Integrated Housing Management System has modules which have reached or are about to reach their end of life and will present issues as time progresses. The new system will provide improved supplier support and offer better customer experience with improved self service facilities, which supports officer time to be targeted to visible service delivery.

3.2   **Taking an integrated approach** – The replacement of the Integrated Housing Management System provides seamless communication across all Housing modules whilst also enabling web access for customers to self-serve their housing needs, improving the speed at which customers can answer their own enquiries whilst also enabling staff resource to be redirected to service delivery. The procurement of the new software will also link with the Council's new Contact Centre software where practicable.

3.3   **Involving the population in decisions** – Tenants and prospective tenants will be made aware of the improved functionality as and when they are implemented. This project will also provide opportunity to direct customers to the Housing portal to self-serve when they access the Council's website.

3.4 **Working in a collaborative way** – Many Software providers have user groups which enables system development across the sector to be discussed and agreed.

3.5 **Understanding the root causes of issues and preventing them** – The current Housing software is rapidly becoming out of date and is not in line with the current industry standards. Upgrading to a new system will provide increased access for customers and staff . additionally, the new systems are hosted by the suppliers reducing the need for the council to provide and maintain server units.

3.6 **This proposal will meet:**
Objective 1: TO WORK WITH AND FOR OUR COMMUNITIES
Corporate Plan Commitment: 2. Work innovatively, using technology, resources and our assets to transform our services so they are sustainable for the future.

4. Resources and Legal Considerations

Financial

4.1 The Housing service currently spends around £200k revenue per annum for the various software licences for the current modules used within the service. These software licences are generally set at the start of the software contract (in this case 20 years ago) and receive an annual increase in line with inflation and system development.

4.2 The procurement of a new system will considerably reduce the cost of these annual software licenses and reduce excessive cost associated with developing functionality within an aging software system. Additionally, the new software will be hosted by the supplier in a cloud and therefore remove the costs for server provision and any ongoing maintenance costs associated with such hardware.

Employment

4.3 There are no other resource issues to report.

Legal (Including Equalities)

4.4 Whenever the Council procures goods works or services over certain financial thresholds, it must comply with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCR 2015), unless an exemption is available.

4.5 This contract has been procured using Crown Commercial Services Framework RM3821 Data and Application Solutions. Therefore, the Council's Contract Procedure Rules do not apply to this award of contract because Crown Commercial Services, who are a National contracting authority, have already undertaken a compliant procurement process in line with the PCR 2015. However, the Council has to comply with the terms and conditions of the

Framework and the call off terms and conditions issued under it, in order to be compliant itself with the procurement legislation.

4.6   The procurement including the evaluation criteria has followed Crown Commercial Services guidance for use of this particular Framework. As stated above, the proposed award of contract is to a supplier who has been selected under the Framework using the most economically advantageous tender as the evaluation criteria.

4.7   The Framework permits a maximum length of contract of 5 years with an optional extension of up to 2 years at the Council's discretion.

4.8   The Council is required to comply with the General Data Protection Regulation and the Data Protection Act 2018 in relation to the collection, processing, and retention of data.

5. Background Papers

None .