



Havering
LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Commencement of Procurement Activity to Replace the Integrated Housing Management IT System
Decision Maker:	Neil Stubbings (Strategic Director of Place)
Cabinet Member:	Councillor Paul Middleton, Cabinet Member for Technology, in consultation with Councillor Paul McGeary, Cabinet Member for Housing
SLT Lead(s):	Patrick Odling-Smee Director of Living Well, Paul Walker Director of Housing and Property
Report Author and contact details:	David Clifton Housing Systems Manager 01708 431569 david.clifton@havering.gov.uk
Policy context:	A well run council that delivers for People and Place
Financial summary:	The resources for this Project are expected to cost £70,500 and will be funded from the Housing IT budget.
Relevant Overview & Scrutiny Sub Committee:	Overview and Scrutiny Board

Non-key Executive Decision

Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision
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Non-key Executive Decision

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place. **X**

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Capita Open Housing has been used by the Council's Housing service since its introduction in 2018. The existing contract expires on 31st March 2026, and it is recommended that a full procurement process is undertaken to identify a replacement for the system in accordance with the Council's procurement requirements. The contract will have an initial term of three years with the option for the Council to extend the term for two further years after. There will be a further option for the Council to extend the contract for two further years, which is a 3 + 2 + 2 year term. It is estimated that the total value of the contract will be within a range of £700,000 to £2,100 000.

AUTHORITY UNDER WHICH DECISION IS MADE

Havering Constitution Part 3 3.3 Powers of Members of the Senior Leadership Team Contract Powers.

(a) To approve commencement of a tendering process for all contracts above a total contract value £500,000.

STATEMENT OF THE REASONS FOR THE DECISION

- The contract for the Capita Open Housing system will expire in March 2026, and permission is sought to carry out a full procurement exercise to analyse the current market, and identify a way forward for Housing Services integrated software.
- The Keystone Asset Management system provided by Civica, continues to be supported by Civica, however, the Microsoft Silverlight platform that Keystone is based upon became end of life in October 2021. Civica have, therefore, ceased development of the software.
- Permission is being sought at this time to allow time for an extended procurement process to be completed, which will be followed by a complex system implementation between now and March 2026.
- Open Housing has been used by Housing services since 2018, and is an integral part of every service provided by Housing. The software has a suite of modules that support all of the business operations of Housing Services, and includes a customer and repairs contractor access portals.
- Open Housing is an 'on site' server based solution and does not currently meet the strategic requirement of software being cloud based by default.
- The current software has limitations in functionality compared with the function rich software that the market currently offers for both users and customers.

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- To address these limitations, Housing Services purchased additional software licences to support Open Housing which attract licence fees in addition to the annual licence fee of Open Housing (currently £65,000 per year):

Mobysoft Rent Arrears Analysis	£63,000
Keystone Asset Management	£33,000
Jigsaw Homelessness	£17,000

It is a key requirement of the procurement project to find a software solution that replicates this functionality to reduce the overall spend on software licence fees.

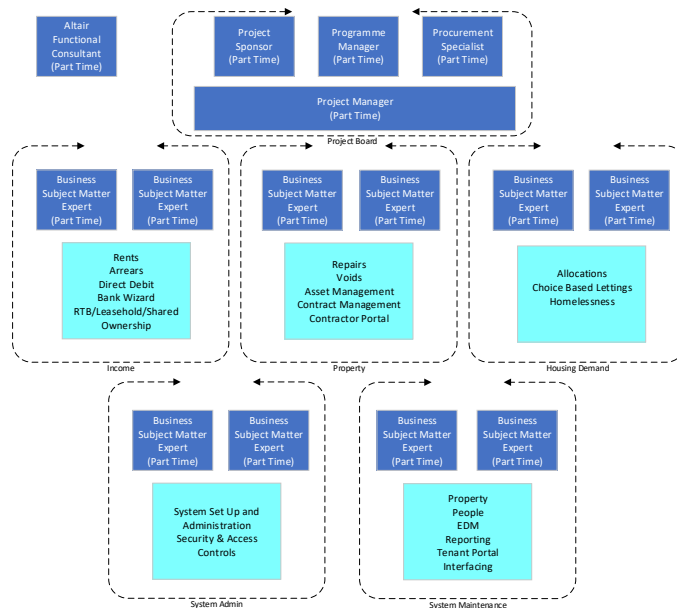
Pre – Procurement Activity

In anticipation of a tendering process, The Housing Systems Manager instructed Altair Ltd to review the current systems used by Housing. A selection of Housing staff have also been engaged in a soft market testing process to assess the latest software available, and to give their professional guidance to the content of the Invitation to Tender.

High Level Procurement Project Plan & Resource Required

Task	Date	Additional Resource Required
ITT Prep	October 2023 – December 2023	Programme Manager, Altair Ltd Consultant, Procurement Specialist
Procurement Process	January 2024 – April 2024	Programme Manager, Altair Ltd Consultant, Procurement Specialist

Procurement Team Structure



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It is proposed that a temporary procurement team is established to deliver this project. To achieve a better 'buy-in' from users, and a more accurate, business relevant Invitation to Tender, the majority of roles will be undertaken by existing Council staff wherever possible. This will also provide a significant development opportunities, and support the 'Choose Havering' culture change ambitions.

Upon approval of the report, job descriptions will be composed for the project board roles which will be subject to the normal job evaluation and recruitment processes. There is sufficient budget allocated to backfill these roles if they are filled from existing staff. Subject Matter Experts (SME) will contribute to the project in addition to their 'Business as Usual' (BAU) activities, however, upon reaching the software implementation stage, it is expected that they will be involved in the project in a more, full time, formal capacity.

Contract Period

It is recommended that a contract term of 3+2+2 is adopted for this software. This contract term format will protect the Council, and allow for break-clauses within the contract to deal with non-performance. It will also allow for re-assessment of the market, noting that the Council's approach to IT systems may change during this contract.

Estimated Resource Cost

Resource	Days Required	Cost
1 x Altair Consultant P/T	Ad – Hoc Specialist Project Support	£12,600 (Fixed cost)
1 x Project Sponsor	1 Day per week	To be included as BAU.
1 x Programme Manager P/T (Backfill @ G12)	2 Days per week	*£21,800
1 x Procurement Specialist P/T	1 Day per week (26 Days @ £750)	*£19,500
1 x Project Manager P/T (Backfill @ G10)	2 Days per week	*£16,600
10 x Subject Matter Experts	1 Day per week	To be included as BAU.

*Estimated amounts include on costs.

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PROCUREMENT INDICATIVE TIMETABLE - SUMMARY ACTIVITIES		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20	Week 21	Week 22	Week 23	Week 24	Week 25	Week 26
1	Project Initiation Meeting																										
2	Discovery Workshop																										
3	Business Case Development																										
4	Pre Market Engagement																										
5	Discovery workshop																										
6	Functional Requirements (workshops)																										
7	Technical Requirements (workshop)																										
8	Prepare ITT template (to include spec, brief and any additional schedules)																										
9	Create Selection Questionnaire (SQ) incl Pass/Fail questions if used																										
10	Agree quality award criteria/evaluation																										
11	Create pricing schedule/evaluation																										
12	Draft Ts&Cs																										
13	Issue DRAFT tender pack																										
14	Finalise tender pack																										
15	Issue tender on portal																										
16	Open Tender (30 days)																										
17	Clarification period																										
18	Tenders opened and checked																										
19	Evaluations																										
20	Supplier presentations (if required)																										
21	Contract including T&Cs review (legal)																										
22	Moderation																										
23	Contract Award Letters																										
24	Standstill Period																										
25	Mobilisation																										

OTHER OPTIONS CONSIDERED AND REJECTED

The other options considered were:

1. Not to procure a replacement housing management system.

The consequences of this would mean that the Housing Service would not have any integrated software to support its operations, and the service would return to a largely paper based, manual processes.

2. To extend existing contract with Capita Open Housing.

This is not an option within the current contract.

PRE-DECISION CONSULTATION

In preparation for a procurement process, housing consultants 'Altair Ltd' were instructed to review the Housing Service and its current position in relation to Capita Open Housing.

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The findings of the review guided a soft market test process of Housing Management software. Key housing staff took part, and their feedback from this process is currently being analysed, and will shape the content of the Invitation to Tender.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: **David Clifton**

Designation: **Housing Systems Manager**

Signature:



Date: 16th October 2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Housing Services requires appropriate IT systems to support its operations. The Council is making a decision to procure a contract to replace and upgrade its software for that purpose.

The Council has a power to procure and make a contract for the software through section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions, or through its general power of competence in section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.

The total estimated contract value is above the applicable public procurement threshold for services contracts stipulated in the Public Contracts Regulations 2015 ("PCR") of £213 477. Therefore, it is subject to the full PCR regime.

For these reasons, the Council can start the procurement process.

FINANCIAL IMPLICATIONS AND RISKS

The resources for this Project are expected to cost £70,500. Provision has been made in the existing Housing IT budget to cover this.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

It is proposed that a separate project team is assembled to deliver this project as detailed in the body of the proposal. Relevant HR policies to appoint to the team will be followed wherever necessary.

IT IMPLICATIONS AND RISKS

Simon Oliver, the director of IT & Digital Transformation, has contributed to the assessment of the options by Altair, and is broadly in agreement with their findings. His opinion is that the Housing Systems arena is complex, and one where there is not a clear leader or system which would fully adopt the Council's future IT Architecture (where systems have been adopted, they have not been entirely successful). The Council's maturity in IT and Digital should be tracked as a key dependency on some of the options, which may make a fully-managed hosted option the best option from a technical perspective.

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EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

At this stage of the project, there is nothing that would suggest any adverse impacts for residents and other service users, including those with protected characteristics. Therefore an Equalities Assessment is not considered necessary.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable environmental and climate change risks.

BACKGROUND PAPERS

- None

APPENDICES

- None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.


Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker

Signed 

Name: Neil Stubbings
Strategic Director of Place

Cabinet Portfolio held:
CMT Member title:
Head of Service title
Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____