

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Request For Delegated Authority To Procure A New Software System For The Home-Link Scheme and Housing Advice & Options Service

Meeting/Date: Cabinet - 19 March 2015

Executive Portfolio: Councillor Barry Chapman

Report by: Head Of Customer Services

Ward(s) affected: All Wards

Executive Summary:

The sub-regional Home-Link scheme provides the core IT system for the Council's Housing Needs team, covering housing options and homelessness as well as the means for maintaining the Housing Register and a lettings system for the allocation of social housing. The scheme covers the four district authorities in Cambridgeshire plus Cambridge City Council as well as two authorities in West Suffolk.

The Home-Link scheme and associated IT system has been in operation since 2008, working with Locata Housing Services (LHS) who were the successful provider in the original tender process.

The contract with LHS has been extended to the full extent allowed by the original contract and a retendering process has begun so that a new contract will be in place by April 2016 at the latest. The Home-Link partnership has started an open tender process, involving all partners but led by the scheme manager based at South Cambridgeshire District Council. All partners will play a part in the procurement process through the governance structures provided by the Home-Link Management Board.

Recommendation(s):

It is recommended that:

1. The Head Of Customer Services, after consultation with the Executive Councillor for Customer Services, be authorised to accept the successful tender and sign the contract with the software provider.
2. If a new supplier is the successful bidder additional capital implementation costs in the region of £30k are likely to be incurred. If this is the case options will be explored to fund this necessary expenditure.

1. WHAT IS THE PURPOSE OF THE REPORT?

1.1 The Housing Needs team's core IT system performs several key functions that support the service in meeting its objectives which in turn contribute to meeting corporate priorities. These include:

- Holding information relating to applications to the housing register;
- Providing a number of on-line transactions and services for customers;
- Allowing for the advertising and allocation of social rented housing within the district;
- Providing an exchange register for existing social tenants to allow them to find other tenants to swap tenancies with;
- Providing a case management system for housing advice and homelessness prevention cases as well as statutory homelessness applications;
- Providing a reporting system in order to complete government statistical returns, performance management information and Freedom of Information requests.

1.2 The team's current IT system was previously procured as part of the launch of a sub-regional choice based lettings scheme in 2008, branded the Home-Link scheme. This joint procurement exercise delivered significant savings to the partners compared to individually procuring IT systems and launching their own choice based lettings schemes. As the original contract is now due for renewal the partnership has begun a joint tendering exercise to test the market and ensure that best value is achieved in the letting of the new contract.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

2.1 The Housing Needs team requires an IT system to be able to perform the functions as outlined in 1.1 above. The report is necessary to give authorisation to the Head of Customer Services, in consultation with the Executive Councillor for Customer Services, to sign a new contract with the successful software provider from the tendering exercise.

3. OPTIONS CONSIDERED

3.1 Although the Council could have considered procuring a new IT system by itself this option would not have been possible unless it considered withdrawing from the Home-Link partnership. This would then have involved establishing a new housing register and allocations scheme with this in itself incurring additional costs. The Council would also then have had to tender for an IT system by itself which would not deliver any additional savings above those that are likely to be realised through the current joint tendering process.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1 The Overview & Scrutiny Panel (Economic Well-Being) considered this report on 5 March and supported the recommendations.

5. KEY IMPACTS/RISKS

5.1 Without a new contract being put in place the Council will not have an IT system beyond March 2016 to be able to perform the functions outlined in 1.1 above.

6. WHAT IS THE TIMETABLE FOR IMPLEMENTATION

- 6.1 The tender process has begun and it is hoped that the successful bidder will be known by May/June of this year. If a new software provider wins the contract this will allow time to transfer systems before the existing contract ends in April 2016. Alternatively, if the existing provider wins the contract then this will be awarded on the termination of the current contract.

7. LINK TO THE CORPORATE PLAN

- 7.1 The Council's Corporate Plan reinforces the importance of working with our communities to improve health and wellbeing. Assisting households with a housing need to ensure that they are able to keep their home, or by helping them to find an alternative home, contributes directly to the health and wellbeing of those households. An appropriate IT system is required by the Housing Needs team to allow it to perform its duties and thereby contribute to the Corporate Plan.

8. CONSULTATION

- 8.1 No formal consultation is required as a result of this retendering exercise.

9. LEGAL IMPLICATIONS

- 9.1 The tender process will follow the OJEU regulations due to the total contract value across the sub-regional partnership. The Council's Procurement Manager has been consulted on the tender exercise, as have all the partners' Procurement Managers, with South Cambridgeshire's manager leading on this project.

10. RESOURCE IMPLICATIONS

- 10.1 Purchasing a system to meet the needs of HDC could be done in isolation. However HDC would have to manage the procurement, purchase the software & licenses, maintain the system and manage the ongoing contract on its own. Working with partners allows all of these costs to be shared and an economy of scale to be created. It is estimated the HDC capital contribution to change in shared system would be c.£20-30k – the cost of effort to complete a full project and purchase outright for HDC would be considerably more.
- 10.2 Working with partners has meant the value of this contract means procurement must follow an OJEU process (led by SCDC for the partnership). As a consequence, the joint project to commence the procurement began before the recent ZBB exercise.
- 10.3 At the time of commencement of procurement capital funding for IT Projects was in the former MTP. Currently capital bids are being revisited and scored before assessment by the Finance Governance Board prior to Cabinet examining these conclusions and determining which capital schemes are progressed. The outcome of this exercise should be known soon.
- 10.4 It is by no means certain the outcome of the procurement will incur additional cost. Indeed it may lower costs. However if capital funding is required, and the Cabinet decide not to include funding for IT projects in the MTFs, a series of options exist, if the:

- i. the cost of implementation is outweighed by an ongoing annual saving, an element of the saving will be reinvested to cover the cost of change.
- ii. the cost of implementation cannot be covered by an ongoing saving, then a revenue to capital transfer will be required from within the Customer Service budget.
- iii. there is no capacity to fund a revenue to capital transfer, then a case will be prepared and presented to CMT for approval. This cost would, of course, be less than if HDC had chosen to purchase this system outside of a partnership arrangement.

11. OTHER IMPLICATIONS

- 11.1 The IT system is a web based system that is fully provided and supported by the software provider. Therefore, implications on the Council's IMD service are minimal.

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The current contract for the Housing Needs team's IT system is due to end and there is a need to put a new contract in place. This will be achieved by the retendering exercise being carried out by the sub regional Home-Link scheme of which the Council is a partner.

BACKGROUND PAPERS

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