

Decision maker:	Cabinet member finance, housing and ICT
Decision date:	Friday, 19 January 2018
Title of report:	Reprocurement of Housing IT services
Report by:	Housing strategy officer

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To seek approval for the procurement of an IT system to support the management of the housing register and the new arrangements for the allocation of social housing in Herefordshire.

Since 2002/03, Herefordshire Council has been the lead partner in a choice based lettings partnership, Home Point, which has managed the housing register and the allocation of social housing in the county. Nine of the registered providers in the county are members of the scheme, including all the major housing stockholders.

The existing Abritas IT system, which supports Home Point, was implemented over 15 years ago. Although there have been a series of upgrades there has not been a comprehensive re-procurement in that time. The system lacks features and functionality found in more modern software solutions.

A new allocation policy was approved by Cabinet in March 2016, but it has not been possible to implement this policy due to the registered providers' decision to stop participating in the Home Point partnership.

In August 2016 the registered providers approached the council expressing a determination to move away from the integrated choice based lettings scheme and to allocate their housing stock using alternative arrangements and software providers.

The current IT system will not adequately support the processes by which properties will be let in future.

Consequently, it is necessary to procure software which will support the housing allocation policy, currently under revision, and the new, more dispersed and diverse, process for letting property. The procurement will require the IT solution to provide a personalised advice component, a housing register configured to a revised housing allocation policy, robust data transfer interfaces and an effective nomination system to support the revised allocations process.

The procured service would potentially offer some modest savings but the set up requires an initial capital outlay.

Recommendation(s)

That:

- (a) A specialist IT system to support new housing allocations arrangements is procured by way of an open tender process, subject to award of a contract for up to 5 years from April 2018 up to a maximum value of £200k**
- (b) Decision regarding the award of contract and implementation of the new IT are delegated to the Director for adults and wellbeing.**

Alternative options

1. Continue to use the current Abris software and manage the nominations process manually. This option is not recommended because it would be very time-consuming, with implications for staffing levels, and would continue the use of an ageing software system which is not providing effective support to applicants and staff. This option is likely also to carry risk of reputational harm for the council.
2. Seek to fulfil the council's statutory duties by utilising a system provided and managed by a housing provider. This option is not recommended as the systems currently deployed by providers are unlikely to support the different functions the council requires. In addition, the council would find it difficult to quality assure arrangements without a contractual relationship with an IT supplier and might also face challenge under procurement regulations.

Key considerations

3. In late 2015, the council identified that the Housing Allocation Policy introduced in 2014 needed to be amended as it was not fully addressing issues of housing need. At the same time concerns were raised about the ability of the existing IT system to provide a good customer experience and support staff to carry out their responsibilities effectively. A revised Housing Allocation Policy was approved by Cabinet in March 2016. Although work commenced with Abris to apply software changes necessary to enable rapid implementation of the policy, the intention was always to re-procure the IT solution once

the new policy was in use. This would have enabled the council to ensure that the IT system provided a customer-facing website and experience that reflected current standards and facilities. It would also have ensured that the system met the needs of staff and other users.

4. During the summer of 2016, the four major social housing providers gave notice to leave the Home Point partnership by 30 June 2017, though currently properties are still let through the partnership arrangements. Since October 2016 there have been discussions and negotiations to identify and agree a coherent process to allocate social housing within the county. For some time, no consensus had emerged around the main issues. However, there is now greater clarity on proposals for a new process, to be implemented by the end of July 2018.
5. The Abris software has not been formally re-procured for over 10 years and the version used in Herefordshire is version seven. Although newer versions of the product have been released to the market since this version was acquired in 2014, these have not been adopted in Herefordshire. The current latest available product is version 10 and provides a better customer experience, in addition to improvements to the back office functionality.
6. Although Abris remain the largest provider of software for choice based lettings schemes, the future process is not likely to be an integrated choice based lettings system. As there a number of companies whose systems may be able to support the process as envisaged in the future a procurement process will enable the council to explore alternative approaches to provision of IT support.
7. Procurement of a new IT solution will ensure that the software supports the new arrangements for allocations and, in particular, will enable the efficient electronic transfer of data to the providers' IT systems, where appropriate, or an effective nomination process for other providers. It will be configured to support the housing allocation policy, currently being revised. It will also provide an authoritative monitoring system to assure compliance with the council's statutory duties and the nomination agreements by the registered providers.
8. A full procurement process will be undertaken from January 2018 with an award of contract due by April 2018. The procurement will involve commissioners, commercial services and IT guidance and support from Hoople. The table below indicates the process and timetable for procurement and mobilisation.

Service specification	Invitation to tender (min 30 calendar days)	Evaluation of tenders	Award of contract	System development and implementation	System Go Live
15/12/2017-17/01/2018	18/01/2018-21/02/2018	22/02/2018-14/03/2018	6/4/2018	19/04/2018-30/07/2018	31/07/2018

Community impact

9. The provision of an IT solution that supports the housing register and new allocation arrangements will enable applicants with a housing need to access the housing register and qualify for social housing properties for which the council has nomination rights. This supports the council's priority 'to enable residents to live safe, healthy and independent lives'.

10. The council is committed to providing a healthy and safe environment for all individuals affected by the council's activities. Therefore the council endeavours to ensure that the work it and its partners undertake, does not adversely affect the health, safety or welfare of service users. Council partners are expected to work to the same health and safety standards and codes of practice as the council, as far as is reasonably practicable. This will be a requirement of any new/revised contract terms.
11. It is not expected that this report will have any direct effect on the lives of looked after children and/or care leavers, as these groups will be accommodated through provision not accessed via the housing register. However, procurement of a contemporary IT solution will make the register more accessible on devices regularly used by younger people, including looked after children and/or children leaving care.
12. The IT provider will be required to comply with the council's IT policies and strategies to ensure information security and appropriate data handling.

Equality duty

13. The council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.
14. The decision reflects an intention to change the way in which a service is provided and by whom but does not discontinue any service. In order to achieve a coherent service for all applicants there is a need to have an effective IT system in place. The public sector equality duty (specific duty) requires the council to demonstrate that it is paying 'due regard' in its decision making in the design of policies and in the delivery of services. As this is a decision that primarily affects back office functions, it is not expected to have any negative impact on the experience of Herefordshire residents..
15. Our registered providers will be made aware of the requirements in regards to equality legislation.

Resource implications

16. The Abris system has hosting and support costs of £27,000 per annum for the housing register, choice based lettings and housing advice modules. There are currently additional storage costs of about £2400 per annum.
17. The cost of a new system which meets the council's future needs will be in the region of £47,500 and will be funded from existing capital budgets. This includes the housing register IT procurement costs and the development costs for data transfer arrangements with four of the county's housing providers. A comprehensive approach to procurement will provide the council with an opportunity to explore alternative approaches from different IT providers and ensure that the IT solution provides value for money.
18. Funding for an upgrade of the current IT system to support the implementation of the 2016 allocation policy was approved in that year. After the approval, but before any significant costs were incurred, the registered providers approached the council about an alternative process and a hold was put on the upgrade. This capital provision can be applied to the set up and design costs of mobilising a new system

19. It is anticipated that the annual cost will be up to £30,500 for the newly procured IT system, which can be met within the existing budget. This will include costs of the new data transfer arrangements. This will enable effective communication between the council's system and those of providers.

Legal implications

20. The council has a statutory duty under Section 167 Housing Act 1996 to have a system of allocating properties that will give choice to applicants. When making an allocation councils must comply with both the Housing Act 1996 and with their own allocation scheme. The Housing Act 1996 has been amended by the Homelessness Act 2002 and the Localism Act 2011 together with relevant statutory guidance in this regard.
21. This procurement will be subject to the Public Contracts Regulations 2015 and given its value, it requires a fully competitive process to be undertaken, as described elsewhere in the Report.
22. In addition to the usual risks associated with any procurement and contracting process involving a statutory service, the key risks on this project which will need to be addressed through the specification, the procurement process and the contract include: (1) the governance arrangements for the sharing and processing of personal data of Council customers to ensure compliance with current and prospective data protection legislation and (2) clear service standards aligned to the Council's legal duties to its customers, the compatibility of the selected system with existing Council systems and business processes and business continuity arrangements in the event of service outages or unavailability.
23. Any system procured will need to meet the relevant provisions set out in the current data protection legislation and the changes to that legislation that are due to come into force in May 2018 under the General Data Protection Regulations. The sharing of any personal information from such a system must be subject to the provisions of an agreed data sharing agreement

Risk management

24. The failure to procure an IT system that supports the future housing register and allocation process would have a significant impact on the council's ability to meet its housing and homelessness statutory duties.
25. The delicate agreement in place with the registered providers is unlikely to be maintained if the council does not re-procure an IT solution that will support the redesigned housing allocation process. Such a situation would have a detrimental effect on relationships with providers but, more significantly, it is likely to undermine the ability of residents in significant housing need or the homeless from accessing secure affordable housing easily.
26. It is likely that in the above circumstances the council would be unable to meet its statutory duties or provide evidence that it is doing so.
27. A high level request for information exercise was undertaken in the late autumn to understand the facility for the market to provide an appropriate software solution. This has provided reassurance that there are products available in the market which could support

the service and that the indicative budget of £200,000 is sufficient to address cost of implementation and annual charges.

Consultees

25. The Registered Providers have been consulted within the in-depth discussions and negotiations which have taken place. Their aspirations are influencing the development of the specification for the IT solution.

Appendices

26. None.

Background papers

27. None identified.