

Report to Cabinet

18 May 2022

Subject:	Open Housing - Integrated Housing Management System
Cabinet Member:	Councillor Maria Crompton Deputy Leader Cabinet Member for Finance & Resources
Director:	Director of Business Strategy & Change Neil Cox Director of Housing Gillian Douglas
Key Decision:	Yes
Contact Officer:	Helen Green Interim Strategic Improvement Manager – Business Excellence Helen_green@sandwell.gov.uk

1 Recommendations


- 1.1 That approval be given to authorise the Director of Housing and the Director of Business Strategy and Change to enact up to 2 x 1yr extensions for the support and maintenance agreement with Capita Business Services Limited for Open Housing, (the housing management ICT system) from 1 April 2023 to 31 March 2024 at a total cost of £291k, and from 1 April 2024 to 31 March 2025 at a total cost of £202k.
- 1.2 That the Director of Housing and the Director of Business Strategy and Change be authorised to purchase the additional products and services as set out in Appendix 1 in order to further develop and future proof the housing management system for the period of the extension.
- 1.3 That the Director – Law and Governance and Monitoring Officer be authorised to seal any documents necessary to enable 1.1 and 1.2 above to take effect.



2 Reason(s) for Recommendations

- 2.1 This report seeks approval to enact a maximum of 2, 1-year support and maintenance extensions, documented within the original contract, to commence from 1 April 2023 until 31 March 2024 and then from 1st April 2024 until 31st March 2025, if required. The existing five-year contract is due to expire on 31 March 2023.

3 How does this deliver objectives of the Corporate Plan?

	<p>Quality homes in thriving neighbourhoods</p> <p>The extension of the existing support and maintenance agreement, and the continuation in use of the housing management system will ensure that key operational services are delivered and managed effectively. This will benefit residents directly in respect of the condition of their home and the quality and safety of the environment. Quality homes are an essential element of building families and communities to have high aspirations and who have a sense of pride about where they live.</p>
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4 Context and Key Issues

- 4.1 A full review of the housing management ICT system is required to identify the best course of action to ensure housing services have access to a viable, future proofed ICT system. The review, under normal circumstances would have commenced in early 2020. Due to changing priorities related to Covid and pressure on services, including the change in senior management structure, formal engagement and approval to commence a full system review has been delayed. However, approval was provided at the Business Strategy & Change Delivery Board held on the 25 March 2022 for this review to commence. This will be led by the Systems Team within the Business Excellence service area.
- 4.2 The Housing Management ICT system currently contains 11 modules, comprising of 50+ elements, covering the frontline housing services including allocations, rents, anti-social behaviour, void properties, home ownership, estate and tenancy management. It is also a key line of business system for finance and the Contact Centre. The system is used daily by more than 320 users.



- 4.3 The system is comprised of two main modules; Open Housing (housing management) and Open Contractor (Repairs). The Repairs and Asset Management service, back office ICT system is now supplied by Advance. The support and maintenance contract only, will be required to support the Open Housing module of the system.
- 4.4 The housing management system is integral to the delivery of a wide range of housing services daily. Failure to provide adequate ICT provision will have a significant impact on the delivery of services to our customers and the ability of employees to perform their duties
- 4.5 The existing five-year support and maintenance contract with Capita is due to expire on 31st March 2023. Within the original contract, there is an option to extend the existing support and maintenance agreement for a further 2 x 1-year periods.
- 4.6 The system itself has been customised to meet emerging business needs during the fourteen years of its existence, as well as the introduction of new modules such as anti-social behaviour, direct debit administration and recently the SMS text messaging service. A like for like replacement would prove to be extremely costly with capital costs starting in the region of £600k, rising to more than £1m for a like for like system. Initial research indicates that the current housing management system compares favourably against its rivals and remains one of the market leading solutions within the housing sector. To ascertain the long-term future of Open Housing, a full system review will need to be conducted.
- 4.7 Housing supports the corporate channel shift programme by introducing high volume transactions onto the MySandwell customer portal. This has enabled both the housing management system and the MySandwell portal to connect and share information, therefore accelerating channel shift and providing the opportunity to make savings. The system has undergone extensive integration development, which allows customers to access services online. This includes an automated housing application process, rent balance enquiries, logging of repairs and numerous online tenancy management forms.



- 4.8 The on-going annual support and maintenance agreement, including out-of-hours support is necessary to ensure the system continues to perform efficiently and effectively as well as to keep pace with regulatory changes.
- 4.9 Consultation will take place when the full system review commences, to ensure all key personnel have appropriate time and information to feed in to future direction of travel and decisions.

5 Alternative Options

- 5.1 The options are:
- No change – let the current contract expire on 31 March 2023.
 - Enact year 1 of the contract extension for the support and maintenance agreement with Capita, with an option to enact the 2nd year if needed to allow more time to conduct a full system review.
 - Procure a new housing management system from the market.
- 5.2 The recommendation is to enact the 1st 1-year contract extension for the support and maintenance agreement with Capita whilst conducting the system review and to enact the 2nd 1-year extension if required. It is not feasible to not have a Housing system in place and there is not adequate time to undertake a full review and implement the outcome of that review prior to the end of March 2023.

6 Implications

6.1 Resources:

The financial implications of this report are detailed below:

Support Requirement	Cost - Year 1	Cost - Year 2
Annual support and maintenance for Capita Open Housing for all licenced software products including annual version upgrades	£79,256	£80,841
Out of hours support – DBA Contract	£43,000	£43,000



Development Days (maximum of 50 per year)	£46,250	£46,250
Technical ICT support Days (10 per year)	£9,250	£9,250
Additional modules identified for development (including annual support)	£113,606	£22,548
Totals	£291,362	£201,889

In consultation with the Section 151 Officer the additional budget required to enact these extensions, will be met from the Housing Revenue Account.

6.2 Legal and Governance:

The organisation is committed to ensuring that the procurement of ICT products and services is fair, transparent and compliant with the necessary legislation. The use of framework agreements through the Crown Commercial Services meets with current legislation and the Council's Contract and Procedure rules. The current system was procured through the CCS Framework RM1059 and allowed for up to 2 x 1-year extensions.

6.3 Risk

The risk identified in not entering into a new annual support and maintenance agreement for the housing management system, is that any disruption or failure to provide the system would have a significant impact on rent collection, housing administration, supporting vulnerable people, anti-social behaviour services and the letting of empty properties, resulting in significant loss of revenue plus potential reputational damage to the Council.

The existing contract includes a GDPR premium module, however, there are on-going performance issues with the GDPR module and we are in continuous dialogue with Capita to address these. This is logged on the Directorate Risk Register and an action plan is in place. The Governance Team are aware and are being updated on the progress with the action plan at regular intervals.



There are monthly Contract Management meetings held between Capita and the Business Manager within the Business Excellence Team. Any issues/risks/concerns from either party are discussed at these meetings and an action plan is in place to cover these.

6.4 Equality

An equality impact assessment is not required for this proposal. The reason being is that this is an existing contract and the system is currently operational and in use; and the proposal is to enact the extension clauses in the existing contract.

6.5 Health and Wellbeing

The housing management system provides the platform for managing key service areas within housing management. Effective service delivery will support health outcomes, particularly in areas such as estate management, anti-social behaviour and financial inclusion and debt management.

6.6 Social Value

The community partnership team have been working with Capita to identify projects where Capita are support a social value contribution. This is in addition to Capita's existing social value commitments across the West Midlands, such as Kickstart, Good things Foundation, Teach First and Young Enterprise. Capita are also setting up a working group looking at how the company is contributing to Net Zero targets.

7 Conclusions and summary of reasons for the recommendations

- 7.1 This report sets out the proposals for the enactment of up to 2 x 1yr extensions for the support and maintenance agreement with Capita Business Services Limited for Open Housing, (the housing management ICT system) from 1 April 2023 to 31 March 2024 at a total cost of £291k, and from 1 April 2024 to 31 March 2025 at a total cost of £202k.



7.2 The extension of the existing support and maintenance agreement, and the continuation in use of the housing management system will ensure that key operational services are delivered and managed effectively. This will benefit residents directly in respect of the condition of their home and the quality and safety of the environment. Quality homes are an essential element of building families and communities to have high aspirations and who have a sense of pride about where they live.

8 Appendices

Appendix 1 – Costings.

9 Background Papers

- Original Cabinet Report - Procurement of new support and maintenance agreement for the Housing Management ICT System (SHAPE) 13 December 2017.



Appendix 1 – Costings:

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