

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF CABINET ON 19 OCTOBER 2020

SUBJECT:	Supplementary Estimate for the procurement and award of a new Housing Management IT System
-----------------	---

REPORT AUTHOR:	Karen McGreal – Business Improvement Manager Satnam Kaur – Group Head of Residential Services
DATE:	22 September 2020
EXTN:	37718
PORTFOLIO AREA:	Residential Services

EXECUTIVE SUMMARY:

This report provides a budgetary update in respect of the procurement and award of a new Integrated Housing Management IT System contract for a period of four years. The project is anticipated to cost c£600k.

In order to commence the project in the current financial year a Housing Revenue Account (HRA) supplementary capital estimate of £160k and a virement of £240k from within existing 2020/21 HRA budgets is requested. Provision will be made in the 2021/22 Housing Revenue Account budget for the £200k balance.

RECOMMENDATIONS:

- Cabinet is asked to recommend to Full Council the approval of a Housing Revenue Account supplementary estimate of £160k (which equates to a weekly rent of 92p per dwelling) for the costs associated with the procurement and implementation of a new integrated housing management IT system.
- Cabinet to approve the virement of £240k from within existing budgets - £140k from capital budget X25 and £100k from revenue contingency underspend.
- Cabinet to approve the procurement and award of a 2+1+1 contract to a total value of £500k (inclusive of maintenance and support costs), of a new Integrated Housing Management System, subject to Full Council approving the above supplementary estimate.
- Cabinet note ongoing maintenance and support cost for the new system of £50k of which £15k is accounted for within existing budgets

1.0 BACKGROUND:

- 1.1 Aareon QL has been the Council's IT system for the supporting services provided to Council housing tenants and leaseholders since 2014. The current contract with Aareon is due to expire in November 2021. The Covid 19 pandemic and the necessity to work from home has highlighted a number of systems limitations. It has been concluded that the current system is not fit to meet our future needs, given advances in housing technology and how services are delivered. A procurement process is now necessary to meet our future business requirements legislative requirements and ensure value for money.
- 1.2 The unprecedented demand for homeworking during the pandemic has highlighted that the current system does not offer the reliable remote accessibility required to meet the business needs of the Housing service. With advances in technology the procurement exercise gives us the opportunity to implement cloud hosting, a modern customer self-service portal, contractor portal and integrated document management system. This approach will greatly enhance customer access to our services and allow for greater self-service.
- 1.3 There is potential for new HMS providers to support Corporate Asset Management functions. Functionality in any system procured will consider the opportunity for shared costs and benefits from one system.
- 1.4 The Business Case for the new system will be presented to the Arun Improvement Programme Board in October 2020 and this will include the known efficiencies that the new system will bring. This includes replacing paper and manually intensive processes with increased automated processes and self-serve opportunities for residents, resulting in more seamless service delivery and reduced transactional costs; savings in respect of postage and printing; significant savings in officer time and increased resilience and business continuity as a result of cloud based delivery.

2.0 PROPOSAL(S):

- 2.1 To request Full Council to approve a Housing Revenue Account supplementary estimate of £160k towards the procurement and implementation of a new integrated Housing Management System.
- 2.2 Request Cabinet approve a virement of £240k from within existing budgets for project delivery and direct award of a new contract to the value of £500k

3.0 OPTIONS:

- 3.1 To approve the supplementary estimate, virement and contract award.
- 3.2 Not to approve the supplementary estimate, virement or contract award. However, this is not considered to be a viable option. The current contract expires in November 2021 and the system limitations have shown it is not possible to meet our business requirement or our tenant and leaseholders' expectations of a modern interactive Housing service.

4.0 CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		✓
Relevant District Ward Councillors		✓
Other groups/persons (please specify)		✓
5.0 ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	✓	
Legal	✓	
Human Rights/Equality Impact Assessment		✓
Community Safety including Section 17 of Crime & Disorder Act		✓
Sustainability		✓
Asset Management/Property/Land		✓
Technology	✓	
Other (please explain)		
6.0 IMPLICATIONS:		
6.1 Financial:		
6.1.1 Failure to procure a new system compliantly places the Council at risk of procurement challenge and to deliver effective services to its council housing tenants and leaseholders. We have chosen to procure via Crown Commercial services, Digital Market Place.		
6.1.2 Whilst the procurement of the new IT system is essential, it will inevitably have an impact on HRA balances and this will be reflected in the HRA Business Plan update.		
6.3 Legal:		
6.2.1 The potential for the current contract to expire without alternative provision in place.		
7.0 REASON FOR THE DECISION:		
7.1 To enable services to continue to be provided to our council housing tenants and leaseholders through the provision of a modern integrated housing management system and to regularise the budget position.		
8.0 EFFECTIVE DATE OF THE DECISION: 28 October 2020		
9.0 BACKGROUND PAPERS: None		