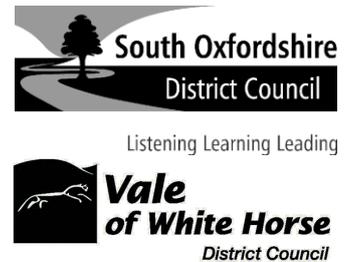


Cabinet Report



Report of Head of Corporate Services

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To: CABINET

Dates: 2nd (South) / 3rd (Vale) December 2021

Housing and Homelessness IT solution

Recommendations

Cabinet is asked:

- (a) To approve the budget based on proposed costs required for this project. The breakdown of those costs for each council is shown in Annex A.
- (b) To agree the procurement route by which to procure an IT solution for the Housing and Homelessness service for both councils using the Government GCloud 12 Framework Agreement.
- (c) To delegate authority to the Head of Corporate Services in consultation with the respective cabinet members to award the contract and to enter into the contract and any ancillary documents.
- (d) To note the transfer of the mobile homes site rents into the Housing IT system for future management of those customer accounts.

Purpose of report

1. The councils have a technology strategy in place to support high quality and efficient service delivery. This project is part of the delivery programme for the strategy and will:

- a. Procure a new Cloud based contract for the provision of the recommended IT solution for Housing and Homelessness services, reducing the ongoing revenue costs and providing commercial certainty for the next 4 years.
 - b. Ensure the systems support more efficient working for the housing and homelessness service and for mobile home rents management.
2. The purpose of this report is to seek approval for the investment required to deliver this project following production of the full business case.

Corporate objectives

3. The delivery of this project will reduce the costs of the provision of the IT solution through the migration to an upgraded and fully Software as a Service (SaaS) model and will put in place a contract for up to 4 years using a compliant procurement process.
4. The solution will also be used to manage mobile home rents, currently administered via the finance system using complex manual processes which can be automated.

Background

5. The Housing IT solution is used to manage the Councils' homelessness and housing services, including Choice Based Lettings, provision of temporary housing and advice and guidance for residents, all to improve homelessness prevention and support compliance with the Homelessness Reduction Act 2017.
6. The current IT solution has been procured through a rolling annual contract. This contract is a traditional hosting and maintenance contract which has been in place for many years. During this time the technology market for business systems has evolved into a commodity model, where the system is in fact provided as a complete managed service, called Software as a Service, or SaaS.
7. In addition to this, HM Treasury, through its Crown Commercial Service, has established a range of Framework Agreements for the purchase of goods and services which meet government standards and support and simplify procurement for public sector organisations. For SaaS solutions the preferred framework is GCloud 12. The advantages of the SaaS model and GCloud 12 procurement route are:
 - Responsibility for the platform and application performance and version control sits with the supplier, avoiding upgrade costs and additional maintenance fees
 - Financial and insurance liabilities for the supplier are covered by the UK government framework agreement as stipulated conditions for being part of it
 - This service can be procured compliantly in accordance with the Public Contracts Regulations 2015 on the basis of a 2-year contract with options to extend for up to 2 more years, providing flexibility for the councils to support other changes that may occur in terms of local government reorganisation and service delivery
 - Being a small part of a much larger buying consortium provides additional purchaser leverage to influence current and future developments by service providers

8. As has already been done with the Human Resources and Financial Management systems, the recommended SaaS solution will follow the standard implementation and will be operated by the councils under the new in-house systems administration function with the IT service, giving direct control and providing resilience which is currently absent from the systems.

Options

OPTION & RECOMMENDATION	ARGUMENT
<p>A: do nothing. Retain existing IT system as it is</p> <p>NOT RECOMMENDED</p>	<p>The system is out of date and not effective in supporting service delivery.</p> <p>It is also going to be out of support in the near term, is relatively expensive to maintain and is preventing services from operating effectively.</p>
<p>B: upgrade existing system via the GCloud 12 government framework</p> <p>RECOMMENDED</p>	<p>The recommended technology solution is now available as a SaaS solution and is the primary solution for Housing and Homelessness services where housing stock has been transferred and the need for a full housing management solution is not required.</p> <p>GCloud 12 provides a robust procurement option which delivers good value for money on costs through the pre-qualification process carried out when establishing it, and minimises the cost of the procurement exercise itself.</p> <p>The upgraded recommended SaaS solution is a better option for mobile home rents management than the finance system as it is designed for this type of work, supporting simplification of the service and an improved customer experience.</p>
<p>C: Start again with a new solution and full procurement</p> <p>NOT RECOMMENDED</p>	<p>The councils have been using a rolling contract for some time for their current application and whilst this is an unsustainable procurement approach, the product is the dominant one in the market for councils without significant retained housing services.</p> <p>Market testing showed the recommended application to be a successful and significant product in the local government market for councils without significant retained housing functions and it was shown to meet all the business needs.</p> <p>The cost of this option will therefore be significantly higher due to the current commitment in place and the investment needed to procure and create a new solution.</p>

Climate and ecological impact implications

9. The housing and homelessness solution, delivered as a SaaS solution, support the wider move to carbon neutral and negative technology solutions provisioned by suppliers through the adoption of Cloud platforms through design and economies of scale.

Financial implications

10. Any council decision that has financial implications must be made with the knowledge of the councils' overarching financial position. For both councils, the position reflected in the councils' medium-term financial plans (MTFP) as reported to Full Council in February 2021 showed that they are both due to receive less in revenue funding than they plan to spend in 2021/22 (with the balance coming from reserves including unallocated New Homes Bonus). For South this gap is £4.3 million and at Vale it is £2.6 million.
11. The funding gap at both councils is predicted to increase to over £5 million by 2025/26. As there remains no certainty on future local government funding, following the announcement of a one-year spending review by government, and as the long-term financial consequences of the Coronavirus pandemic remain unknown, this gap could increase further. Every financial decision made needs to be cognisance of the need to eliminate the funding gap in future years.
12. The transformation budget will fund the one-off investment and deliver a full return on investment within 20 months, with net savings thereafter.
13. The details of the project budget and financial return are contained in **Annex A** of this report and are confidential for commercial reasons.

Legal implications

14. Following procurement under the GCloud 12 Framework and the decision taken to award the contract, a drawdown contract under the GCloud 12 Framework terms will be entered into with the selected provider in order to protect the councils' interests.

Risks

15. The main risks to the project are:
 - a) Challenge from another supplier to the procurement approach. This is very low because this project is making use of a government Framework Agreement.
 - b) The recommended solution does not meet business needs. This has been market tested with a number of other councils who have implemented the solution and continue to use it successfully.
 - c) The return on investment expected is not realised. This is dependent on the extent to which services use the upgraded solution to support end to end service transformation and as such is under the control of the councils.

Other implications

16. The successful implementation of the project will also enable relevant services to access and use technology which is designed for their business areas and support better alignment with the upgraded finance system, in turn supporting better decision making for asset management.

Conclusion

17. This project is a core enabler for the councils to consolidate housing and homelessness services into a fit for purpose technology solution, it supports the ambitions around tackling climate change and will enable the operational services to be more effective.

Background papers

Adopted IT Strategy (Cabinet decision, October 2021)