

**Decision Maker:** Care Services Portfolio Holder

**For Pre-Decision Scrutiny by the Care Services Policy  
Development and Scrutiny Committee**

**Date:** 9<sup>th</sup> February 2016

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** HOUSING IT SYSTEM (CONTRACT EXTENSION)

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**Ward:** Bromley-wide

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1. Reason for report

- 1.1 The Housing Department uses two information systems to support its business, Northgate and Home Connections. The annual maintenance contracts for these systems end on 31.3.2016
  - 1.2 Members agreed to fund the procurement of a new housing system in January 2015 and an initial tendering exercise has already taken place. This exercise was not successful and officers will be reporting alternative procurement options to Care Services PDS Committee and Executive in March 2016.
  - 1.3 Officers are seeking authorisation to put new 2 year contracts in place which will cover maintenance of the current systems for the period of procurement and system implementation.
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2. **RECOMMENDATIONS**

The Portfolio Holder for Care Services is asked to agree to an exemption from tendering in order to award contracts as set out below:

- 2.1 Award of a new contract to Home Connections at a cost of £23,312 to cover annual systems maintenance from 1.4.16 to 31.3.2018.
- 2.2 Award of a new contract to Northgate Housing system at a cost of £87,084 from 1.4.2016 until 31.3. 2018
- 2.3 Delegate authority to agree to purchase essential upgrades to the Northgate system to the Assistant Director Housing Needs in consultation with the Head of IT and Portfolio Holder for Care Services.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Supporting Independence.
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### Financial

1. Cost of proposal: Estimated cost £55,000
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: 744 010 1903 and 805 004 1933
  4. Total current budget for this head: £55,000
  5. Source of funding: Revenue Support Grant
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### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Non-statutory - Government guidance. Support statutory functions and income recovery.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 Officers present a Gateway Review (CS14106) of Housing Information Systems in January 2015 (see Appendix 1). Members agreed the recommendations to proceed to procurement of a fully integrated Housing IT system. Members also agreed a capital funding bid to procure and implement the system in order to facilitate savings and provide a fit for purpose system meeting statutory requirements as the current system does not meet a range of current and future business requirement. The report advised Members that extensions of current contracts would probably be required, the length of these to be dependent on the procurement programme.
- 3.2 An initial tendering exercise using a Crown Commercial Services Framework was carried out in autumn 2015. This exercise was not successful in attracting bids. Feedback from the providers was that the Council's invitation to tender coincided with the conclusion of several other tendering exercises and the implementation of major system upgrades; therefore they did not have the resources to submit bids within our time frame. Officers have been undertaking further work with suppliers to understand the current position in the market prior to reporting alternative procurement options to Care Services PDS and Executive in March 2016
- 3.3 Following the failure of the initial tender exercise Officers have considered whether there is a business case for retaining the existing systems. However, the Northgate have informed Officers that they will not be continuing to upgrade and support their system in the long term, which would necessarily force the Council to make a change. As set out in the original Gateway Report maintenance of the current Housing systems is extremely time and labour intensive exercise. The housing system is linked to the LBB Academy and Housing Association systems by customised interfaces. Every upgrade of the Northgate system also requires bespoke upgrades of these interfaces funded by the Council. In addition the Northgate system does not meet the Council's longer term requirements for systems to be externally hosted.
- 3.4 Therefore it is essential to maintain the current housing systems whilst a new system is procured as they underpin all the work of the Housing Needs Division. The Home Connections system offers a Choice based lettings functionality and the Northgate system provides;
- An online housing application form
  - A case management system for managing housing advice, homeless cases, rent accounts, applications and other housing processes.
  - A document management system
  - Statutory reporting functions.
- 3.5 It is proposed that the Council enters into new contracts with Home Connections and Northgate for a maximum period of 2 years with the opportunity to terminate earlier on 3 months' notice if the implementation of the new system allows.

### 4. FINANCIAL IMPLICATIONS

- 4.1 The costs of the contracts are set out below. This cost can be contained within existing budgets.

<b>Home Connections IT System</b>	<b>£</b>	<b>Northgate IT System</b>	<b>£</b>
Annual Value	11,656	Annual Value	43,542
Whole Life Value (over 2 years)	23,312	Whole Life Value (over 2 years)	87,084
<i>Cumulative Value (over 5 years)</i>	<i>58,280</i>	<i>Cumulative Value (over 5 years)</i>	<i>206,223</i>

4.2 There are upgrades planned to the Northgate IT system during these proposed contracts. The estimated value of these over the 2 years is £54k. Expenditure will be dependent on the progress of the IT procurement as it may not be necessary to purchase the upgrades in order to maintain a working version of the current system. Any upgrades will be covered within existing IT budgets.

## 5. LEGAL IMPLICATIONS

5.1 Contract Procedure Rules 3.1 and 13.1 set out the authorisation procedure for agreeing an exemption for the need for competitive tendering.

A Chief Officer in agreement with Director of Resources and Finance Director and following Approval of the relevant Portfolio Holder, with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	Contract Award CS12076