
Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on 21st March 2023

Decision Type: Non-Urgent Executive Key

Title: HOUSING IT SYSTEMS REPORT

Contact Officer: Tracey Wilson, Head of Housing Compliance & Strategy
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Chief Officer: Sara Bowrey, Director, Housing, Planning & Regeneration

Ward: All Wards

1. REASON FOR REPORT

- 1.1 Bromley's contract with MRI Software for a managed Housing IT system is due to expire on 9th April 2024, having utilised the two year extension option.
- 1.2 Bromley's contract with Home Connections for a managed Housing IT system is due to expire on 16th April 2024 with an extension option of 1 +1 year(s).

2. RECOMMENDATION(S)

- 2.1 To extend the contract with both MRI Software and Home Connections for two years respectively to allow a full options appraisal to test the market fully.
- 2.2 This report is requesting authorisation to apply the two year extension for Home Connections, which is provided for within the contract terms, from 16th April 2024 to 15th April 2026 at an estimated contract value of £14k per annum.
- 2.3 Approve extension beyond terms under Regulation 72a with a 1+1 options to MRI Software (formerly known as Orchard Housing). This is anticipated to commence from 16 April 2024 at an estimated annual value of £134k per annum.
- 2.3 Agree the Compliance & Strategy Division utilises the extension period to review the market in order to present commissioning and procurement options for Executive decision prior to the extension period expiring.
- 2.4 Agree the drawdown of up to £40k from the Technology Fund earmarked reserve for a SME/Business Analyst to review the market.

Impact on Vulnerable Adults and Children

Summary of Impact:

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority (delete as appropriate):
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Estimated Cost: £336k (£28k – Home Connections extension, £268k – MRI extension, £40k – review)
 2. Ongoing costs: Recurring Cost: £148k (£14k – Home Connections, £134k – MRI)
 3. Budget head/performance centre: Housing Compliance & Strategy
 4. Total current budget for this head: £1,477k
 5. Source of funding:
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Personnel

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: The Housing Systems are integral in the delivery of the Council's statutory housing functions
 2. Call-in: Applicable: Executive decision.
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Procurement

Summary of Procurement Implications:

Property

Summary of Property Implications: N/A

Carbon Reduction and Social Value

Summary of Carbon Reduction/Sustainability Implications: N/A

Customer Impact

Estimated number of users or customers (current and projected): Estimated number of users/beneficiaries (current and projected): Estimated number of users/beneficiaries (current and projected): The Council receives more than 6,000 approaches for housing advice and approximately 500 applications each month for inclusion on the housing register. The allocation for temporary

accommodation and social rented housing is managed through the housing system covering a total housing association stock in excess of 11,000 units.

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 The MRI Housing IT system allows the Council to fulfil its statutory duties in relation to Housing. MRI enables the Choice Based Lettings system in order to facilitate nominations and holds data in relation to all aspects of a clients interaction with the housing service. This includes; Housing Register applications, temporary accommodation placements, contact records etc.
- 3.2 The Home Connections (Hope) IT system; complies with the statutory returns requirement that is essential in order to manage the volume of households approaching the Local Authority for assistance in respect of homelessness.
- 3.3 This report sets out the business case to extend beyond term so that there is sufficient time to undertake this review, and so that both contracts co-terminate, allocate suitable funds to recruit a suitable Subject Matter Expert (SME) to review the current systems, review the market to produce a technical specification and a further recommendation or options for Members to consider. Therefore this report will need to draw down £40k for recruitment of a suitable SME as set out in the Finance section.
- 3.4 The extension period will allow time to review the market in order to present commissioning and procurement options for Executive decision prior to the extension period expiring.
- 3.5 There is no one with the required experience within the Council currently to carry out this activity. Previous budget options which delivered reductions in core staffing recognised the need to recruit the necessary expertise as and when required rather than maintaining a standing resource.
- 3.6 This also represents a good opportunity for the Council to review the provision of these systems and potentially identify savings and efficiencies as a result and to ensure alignment with key corporate programmes.
- 3.7 The SME is required to undertake work to identify the ongoing requirements of supporting systems and project management. The resource management will be within the HPR systems team with sign off by the services involved.
- 3.8 The reviews identified by this report are two core system reviews that will be required over the next few years. The resource identified in this report for initial draw-down may be used flexibly across a number of system reviews and programme upgrades in the longer term, although initially required on the Housing IT System review given the initial timescales available.

Summary of Business Case

- 3.9 The Housing Department uses two information systems to support its business, MRI (previously known as Orchard) and Home Connections. The justification for extending the MRI contract is as follows:
- 3.10 There is a statutory requirement to provide a housing needs service. The timely and targeted provision and management of these services is dependent on an appropriate management information system capable of the functions below
- Provide statutory statistical returns and data management facilities enabling the monitoring of relevant local and national performance indicators and progress towards defined targets
 - Hold information about service activity levels
 - Effectively gather quantitative and qualitative evidence of performance in line with regulatory guidance
 - Provide secure storage of data enabling the Local Authority to meet national requirements regarding information provision

- 3.11 The alternative is to go out to tender for a new information management system which will incur significant procurement and purchase costs and will also incur similar ongoing annual charges. Additionally, the service would face disruption caused by a complete change of information management and working practices, including the requirements for configuration and training.
- 3.12 The Hope system has proved to be an effective IT system which complies with the statutory returns requirement that is essential in order to manage the volume of households approaching the Local Authority for assistance in respect of homelessness.
- 3.13 With the impact of the pandemic and the increased volume of homelessness approaches to this local authority, it is vital that we continue with a system that is familiar to all staff and provides a reliable reporting function (HCLIC). With the additional upgrades to the system we will be adding the ability to track and report on approaches and outcomes for Rough Sleepers and Ex-Offenders.
- 3.14 The addition of the Duty to Refer module will ensure that a statutory housing function is included in the HOPE system. This will allow an efficient, reliable process and free up Officer time and reduce the risk of error at present it is currently managed via a service mailbox and does not feed into the HOPE system automatically.
- 3.15 Failure to provide the correct statistical returns in the required format can impact on the Local Authorities ability to secure the necessary funding and resources in order to provide statutory services and prevent against costly legal challenge.
- 3.16 With the new Domestic Abuse Bill and our aim to achieve DAHA Accreditation for our work with victims of Domestic Abuse, the proposed upgrades to the system will further support the services work to provide a better service to Domestic Abuse victims which in turn will bring us closer to achieving DAHA accreditation for the local authority.

Service Profile / Data Analysis / Specification

- 3.17 The service deals with more than 5000 approaches each year.
- 3.18 There are approximately 1,600 households in TA, of which 1,205 are in costly forms of nightly paid accommodation. The current average cost to the Council of placing a household into nightly paid temporary accommodation is £7100 per annum for each household.
- 3.19 An effective and compliant system is therefore essential to ensure that increased caseloads can be effectively managed and that compliance with statutory duties is maintained.

Options Appraisal

3.20 The following options are available;

- Option 1 – Do nothing
- Option 2 – Re-procure the existing systems now via a compliant route
- Option 3 – Extend the contract(s) for a limited time and complete a full options appraisal and assess the market

Option 1 – Do Nothing

This isn't possible as the Council has a requirement to fulfil its statutory duties.

Option 2 – Re-procure the existing systems

Re-Procure the existing systems this is not recommended as using two IT systems that do not integrate with each other is subject to duplication of work and the potential for errors as well as the additional resources required to manage this.

Option 3 – Complete a full options appraisal and assess the market

Extend both MRI and HOPE to co terminate on 09th April 2026 and undertake an options appraisal, this is recommended as it enables the service to fully assess the market and suitable suppliers to see if there are now more suitable, cost-effective options available that will take into account changes in legislation as well as manage the newly acquired Housing Revenue Account.

Preferred Option

3.21 Option 3 is the preferred option to ensure that we are procuring the best fit for purpose, robust system that fully supports the IT requirements in Housing.

4. MARKET CONSIDERATIONS

4.1 Not applicable until an options appraisal has been undertaken, if permitted.

5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

5.1 By undertaking a full options appraisal we can be assured that we will procuring the most fit for purpose system for all users, particularly our residents. An example of this could be a customer portal, allowing our residents to communicate with us flexibly.

6. STAKEHOLDER ENGAGEMENT

6.1 A project team will be established to review the current systems, this will include seeking the views from officers who will be using the systems and well as external stakeholders, such as our clients who may be accessing the system direct to either request or provide information and also our partners to ensure statutory and non-statutory information is accurate and accessible.

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

7.1 Estimated Value of Proposed Action:

MRI cost: 2017-2024 - £1037k

MRI extension cost: 2024 – 2026 - £268k

MRI whole life value: £1305

Home Connections cost: 2019-2024 £78k

Home Connections extension cost: £28k

Home Connections whole life value: £106k

7.2 **Other Associated Costs:** £40k consultancy cost to undertake market review

7.3 **Proposed Contract Period:** 10th April 2024 to 09th April 2026

7.4 N/A

8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN)

8.1 A full impact assessment will be undertaken in parallel with the full options appraisal.

9. TRANSFORMATION/POLICY IMPLICATIONS

9.1 This approach supports the Making Bromley Even Better corporate strategy to manage our resources well, providing value for money, efficient and effective services for Bromley's residents.

10. IT AND GDPR CONSIDERATIONS

10.1 There are several large IT oriented projects underway within the organisation at present that are demanding significant resource time from the Digital and IT service. This may have implications on other IT projects being undertaken as key resources may have less availability to support services and therefore maybe necessary to consider additional resources to be brought in to provide IT support for the project.

11. PROCUREMENT CONSIDERATIONS

11.1 The report seeks a variation to the contracts for both the MRI and Home Connections (Hope) IT systems, for a period of up to 24 months, to co-terminate 31st March 2025. This will allow the service sufficient time to undertake a review of the requirement, with the view of undertaking a competitive process to establish a provider so that the Council can discharge its statutory duty in relation to this service. The value of the proposed variation being £134,000pa for MRI giving a cumulative spend of £1,305,000 and £14,000pa for Home Connections, giving a cumulative spend of £106,000.

11.2 The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations.

11.3 Subject to compliance with Regulation 72 of the Public Contract Regulations (which allows change to a contract without re-advertisement where the proposed change, irrespective of monetary value, is provided for in the initial procurement documents in a clear, precise and unequivocal option clause which specifies the conditions of use and the scope and nature of the change), the Council's requirements for authorising an extension are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Chief Officer, the Director of Commissioning, the Director of Corporate Services and the Director of Finance must be obtained.

11.4 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.

11.5 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

12. FINANCIAL CONSIDERATIONS

12.1 The estimated cost of the proposed extensions for MRI and Home Connections is £134k and £14k per annum respectively, which will take the whole life values to £1,305k and £106k as set out in the table below:

	MRI	Home Connections	Total
	£'000	£'000	£'000
<u>Existing contracts</u>			
2017/18	150		150
2018/19	112		112
2019/20	209	29	238
2020/21	192	13	205
2021/22	130	13	143
2022/23	118	10	128
2023/24	126	13	139
	1,037	78	1,115
<u>Proposed extensions</u>			
2024/25	134	14	148
2025/26	134	14	148
	268	28	296
Total	1,305	106	1,411

- 12.2 The initial set up and some of the subsequent renewals in the existing contract were funded from the Housing IT system capital scheme. The costs of the proposed extension will be met from the existing Housing IT revenue budget.
- 12.3 It is also requested that a sum of up to £40k is approved for drawdown from the Technology Fund earmarked reserve to fund a SME/Business Analyst to review the market.

13. LEGAL CONSIDERATIONS

- 13.1 This report requests Members approve the extension of two IT Housing Management Systems, one within the permitted contractual framework (Home Connections) and one outside of the permitted contract (MRI Software).
- 13.2 The Home Connections contract can simply be extended in accordance with its own contractual terms and in accord with the “Formal Contract Extension Procedure” under Contract Procedure Rule (CPR) 23.6.
- 13.3 As regards the MRI Software contract then, as this is an extension beyond its term, it may only be permitted under Regulation 72 of the Public Contracts Regulations 2015 (the Regulations) and CPR 23.7. The proposed variation adds £134,000 pa to the contract detailed in this report which has a whole life value of £1.305 million. Regulation 72 sets out a series of circumstances when a contract may be varied without the need for a fresh procurement. One of those circumstances, under Reg. 72(1)(c), is where “*the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; the modification does not alter the overall nature of the contract; and any increase in price does not exceed 50% of the value of the original contract.*”
- 13.4 Should these extensions be approved then Legal Services can assist with any contractual documentation when instructed.

Non-Applicable Headings:	Strategic Property Considerations; Personnel Considerations; Ward Councillor Views.
Background Documents: (Access via Contact Officer)	[Title of document and date]