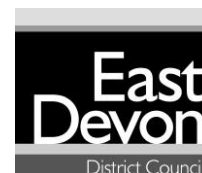


Business Case



Procurement of a new software system for housing management

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Current Situation and Issues

Across the Housing Service, we are currently operating a number of software packages that are not integrated and some are outdated. There is a strong case for procuring and implementing a new comprehensive housing management software system to help us to achieve our service delivery aspirations.

Our outdated software systems present a number of problems:

- Different parts of the Housing Service use different record and computer systems.
- There are at least five different systems being used and very few members of staff (if any) can access all of these systems.
- We still rely heavily on paper based housing files, based around each property and tenancy/applicant.
- The current systems no longer meet the requirements of best practice within housing management and in some areas are not fit for purpose.
- Mobile working capability and remote access is very limited.

In order to provide a service to all our customers (tenants, contractors, local residents etc) we require one integrated system which can contain all necessary data (property, rent, tenancy, finance, contractor etc) and which can be accessed easily by all staff whether office based, working remotely or based out and about in the district.

A modern housing management system should provide some or all of the following features, many of which we currently do not have:

- The ability for all staff to have access to all areas of the system. (To maintain confidentiality and data security access levels can be set to allow only certain staff to have access to certain levels of data.)
- The ability to store full data on each property and each tenant, and to access this information either via property or tenant screens.
- The ability to easily integrate the information stored to run reports and performance information.
- The provision of a tenant portal and a contractor portal, so that tenants can easily amend personal data, request and book repairs etc, and contractors can book appointments, submit invoices etc.
- Flexible mobile working with good remote access.
- Modules for monitoring Right to Buy, development programmes, tenant participation activities – none of which we currently have.
- Easy monitoring of our 'non housing' assets such as community centres, play areas etc.

Proposed Situation / Solution

At the end of 2011 a project board was set up to oversee the selection of a new housing system.

Following demonstrations to staff by potential suppliers a specification

(<O:\Projects\Investigations\Housing Management System 2012-13\03 - Specification\2012 East Devon Housing Management System Spec v1.0.xlsm>) was drawn up and sent out to interested suppliers. From their responses the project board short listed two potential suppliers Aareon and Capita OPENHousing and further demonstrations were given. At each stage a rigorous scoring process has been used to evaluate each potential system. Full details of how we reached this stage are set out in the Housing Review Board paper 'Housing Management software system procurement' 7 March 2013 (<O:\Projects\Investigations\Housing Management System 2012-13\Cabinet Reports\Item 18 Housing Management System Report.docx>).

The project board then visited other housing providers where these two systems are in use (Sandwell Council, West Midlands, for the Capita OPENHousing system, and West Lancashire Council for the Aareon system). There was also a further presentation by Capita on 22 May of the recent upgrade (version 12) to their OPENHousing system.

Assessing all the evidence gathered from the demonstrations, responses to our specification and on-site visits has lead the project board to decide that the Capita OPENHousing (version 12) system will be the most suitable for our needs and requirements

(<O:\Projects\Investigations\Housing Management System 2012-13\09 - Final Selection\2013-05-23 Overall Comparison.pdf>) because:

- Staff slightly preferred the general look and feel of the system.
- It represents better value for money.
- It is more likely to meet our longer term future strategic needs.

The ICT Business Support Manager has carried out significant negotiation with Capita to ensure that the system is purchased at the best possible price. Extras agreed with the company include:

1. 5 professional services days per annum for the duration of the contract, giving the Council a total of 25 days free of charge. The value of the days at £950 per day equates to £23,750.
2. A guaranteed 50% discount for all new modules purchased during the first three years of the contract. This discount will apply to licenses and maintenance for all Capita owned Housing products. Any associated professional services purchased at the same time as additional software will attract a 25% discount. The value of this to The Council is difficult to quantify, but Capita believe could be in excess of £50,000.
3. Capita will also provide guarantees to the Council relating to the overall license model for our software. OPENHousing is licensed by concurrent user and the number of social rented properties. Capita is willing to provide licenses to the Council purely on concurrent usage. Therefore if the Council's housing stock was to grow, or merge with another organisation, there would be no licensing restriction, except for concurrent user access. This licensing will be unlimited and uncapped.

The project board is therefore proposing the purchase of the Capita OPENHousing (V12) system at a total cost of £249,770 for the first five years of the contract.

Other considerations:

Increased staffing costs

It is estimated that the introduction of such a wide ranging system will take between 12 and 18 months. Looking at how other organisations have approached the introduction/implementation stages we are considering setting up a project team, dedicated to this work, which would be overseen by an implementation project board.

Implementation Project Board to consist of:

- Senior representative from the supplier
- Senior housing representative (Head of Housing or Senior Manager)
- Senior manager from ICT

An integration/service support team will be put in place to work with the supplier to ensure the new system is installed to suit our requirements.

Learning from how other housing authorities have found the implementation process, and talking to Revenues and Benefits about the role of their support services team, it is envisaged that we will require approximately 3 full time housing officers (one service support team leader and two system administrators) to undertake the implementation and to move forward post implementation to provide support and development for the system. The role of this new team post implementation will include training staff on the system; implementing system updates; keeping up to date with best practice use of the system; liaison with each housing team to ensure system is used to the best of its ability and bring in any modifications which may be required from time to time.

It is envisaged that this team post implementation will take on a more strategic role within housing, seeking and introducing areas of good practice across the department and driving the service forward.

During implementation the team will be lead by a Project Manager from ICT. It may from time to time require support from other housing officers with specialist knowledge of their particular area of the service. These officers will be seconded into the team as and when required and some back filling of posts may be needed in the short term.

For the purposes of assessing the ongoing costs of the system we have allowed for 3 new housing staff – one section leader (at Grade 6) and two system administrators (at Grade 5) (subject to job evaluation).

However the introduction of the new system should also lead to some ongoing savings in staff time, due to the ability for mobile officers to access and update the system whilst out on site, and for some tenants' queries to be answered by one staff member rather than requiring them to be passed to several members of staff.

The introduction of the new system and increased ability to work remotely by mobile connection will allow for considerable change to the way the housing team currently operates. It is likely that we will set up an 'administration' hub which will provide some initial 'front office' services to tenants and customers, meaning only more complicated matters will need to be referred to individual housing officers. Mobile working will allow for better management of officers out and about in the district.

The estimated increased staff costs for year one would be between £80,532 to £89,070 depending on the scale point awarded (costs include allowance for 1% pay rise, national insurance and pension contribution).

Increased hardware costs

Many of the existing computer terminals used by housing staff will need to be replaced to meet the requirements of the new system. Upgrading these PCs will also meet the requirements of our forthcoming introduction of electronic document management.

To allow full mobile working of staff such as Mobile Support Officers, Maintenance Surveyors, Rental Officers and Estate Management Officers, will require the purchase of approximately 60 mobile devices compatible with the new system.

A budget figure of £50,000 has been allowed for these hardware costs, although further detailed costings will need to be drawn up. This figure includes the costs to upgrade all the housing computers to be compatible with the new housing management, document management systems and mobile working.

Provision of a new telephone system

Our current telephone system does not meet best practice standards for our housing tenants, particularly for those ringing about repairs. We are unable to hold calls in a queuing system, tell tenants how many callers are waiting, give out specific messages, or give them an option to leave a message.

To complement the introduction of a new housing management system we wish to see installed an up to date telephone system which would allow these features. This may also be able to allow telephone recognition and so allow the system to automatically bring up tenants details if the numbers are already logged in the system.

We understand that the council is looking to bring in such a system throughout all services in the near future.

Overall proposal:

1. The purchase of the Capita OPENHousing management system at a cost of £249,770 over the first five years of the contract
2. The setting up of an implementation board and an implementation/service support project team and the likely extra staffing costs (estimated at upto £89,070 for year one)
3. £50,000 to cover the purchase of new hardware and mobile devices.

Other Options that were Considered and Dismissed

The board considered negotiating with Northgate for an upgrade of our existing Anite system (used by Rents and Housing Needs). However there are current issues with this system and the demonstrations given by Northgate did not indicate that such an upgrade would provide the service with the modern, flexible and fit for purpose system we now require.

High-level Risks of Proposal

Risk	Impact	Mitigating actions
The system purchased does not fulfill the requirements	The housing service is not as efficient as it could be	<ul style="list-style-type: none"> • Ensure the system meets the specification requirements as nearly as possible • Allow contingency for modifications to the system once in place
The system takes longer to implement than expected	Introduction of an efficient system is delayed and staffing costs for	<ul style="list-style-type: none"> • Robust implementation plan put in place at outset. • Regular update meetings to ensure

	implementation are higher than expected	project is on target.
Staff find it hard to adapt to a new system	Use of the new system will not be as comprehensive as it should be	<ul style="list-style-type: none"> • Robust training programme to be introduced for all staff • Refresher/updating training to be offered as and when required • New system to be championed by implementation/service support team members • Support within teams to be provided by implementation team members
Some interfaces may not work as well as expected	Links to other systems such as Abrisas may not work effectively, or at all	<ul style="list-style-type: none"> • The specification states the interfaces we require and suppliers have indicated this should not be a problem • Both suppliers have integration to key system (Abrisas)

Strategic Benefits

Item	Benefit
1	The ability to offer our council tenants, leaseholders and contractors a housing management system which meets current best practice standards.
2	The ability for all staff to have access to all areas of the service, with the proviso that there will be some fields (where there is sensitive or confidential information) which are available only to specific staff.
3	The provision of a more holistic, and less 'silo' driven service, able to take account of the whole needs of the customer, not just specific areas of service.
4	Through the introduction of a new telephone system tenant's experience of calling the service should be significantly improved.
5	The tenant and contractor web portals will allow on line self service, thereby reducing demand for face to face or telephone contact, and the provision of some service 24hrs, 7 days/week
6	Better management of mobile officers and ability to quickly and easily respond to emergency requests

Other Standard Considerations

Item	Benefit	Impact (High, Med, Low, None)
1	Systems Administration	
	To be provided by the service support team	High
2	Equality & Diversity	
	Equality Analysis form completed	High (positive)

Quality Assurance

	Name	Signature and Date
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Programme Manager	Steve Gammon	
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Costs and Savings

Current Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Anite OHMS	£3,500	£3,500	£3,500	£3,500	£3,500
Anite User Group	£2,400	£2,400	£2,400	£2,400	£2,400
Reality / HostAccess (approximately 50%)	£2,000	£2,000	£2,000	£2,000	£2,000
Oracle Support	£4,000	£4,000	£4,000	£4,000	£4,000
Total Current Costs	£11,900	£11,900	£11,900	£11,900	£11,900

Direct Costs of Proposal	Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Capita OPENHousing						
Purchase & Implementation (fixed price)	£188,438					
Annual support & maintenance		£0	£15,333	£15,333	£15,333	£15,333
Staffing costs (3 x posts)		£89,070	£89,070	£89,070	£89,070	£89,070
Increased hardware costs incl. mobile	£50,000					
Direct Costs	£238,438	£89,070	£104,403	£104,403	£104,403	£104,403
Yearly Costs / Savings(-ve)	£238,438	£77,170	£92,503	£92,503	£92,503	£92,503
Cumulative Costs / Savings(-ve)	£238,438	£315,608	£408,111	£500,614	£593,117	£685,620

Other Costs of Proposal	Capital	Year 1	Year 2	Year 3	Year 4	Year 5
ICT Estimate Days: 200 Rate: £150	£30,000					
Contingency 25 %	£67,110	£22,268	£26,101	£26,101	£26,101	£26,101
Other Costs	£97,110	£22,268	£26,101	£26,101	£26,101	£26,101

Total Proposed Costs	£335,548	£111,338	£130,504	£130,504	£130,504	£130,504
Total Yearly Costs / Savings(-ve)	£335,548	£99,438	£118,604	£118,604	£118,604	£118,604
Total Cumulative Costs / Savings(-ve)	£335,548	£434,985	£553,589	£672,193	£790,796	£909,400

Funding

(Please tick appropriate box)

- Existing Budget
(specify Cost Centre and Budget)
- Pay for itself within a Year
(specify Cost Centre and Budget)
- Requires new Budget
(provide full details)

Details

Capital budget of £350,000 in 2013/14 cost centre 85703