

EAST RENFREWSHIRE COUNCILCABINET15 September 2022Report by Director of EnvironmentNEC HOUSING – PROPOSED VARIATION OF CONTRACT**PURPOSE OF REPORT**

1. The purpose of this report is to seek Cabinet approval to apply a variation to the replacement Housing Services IT contract in order to include hand held devices and improved online services.

RECOMMENDATIONS

2. It is recommended that the Cabinet, in accordance with the Contract Standing Order 14:
- a) Approve an immediate variation to be applied to the existing Housing Services IT contract with NEC Software Solutions UK Limited; and
 - b) Delegate to the Chief Officer (Legal and Procurement) and the Chief Procurement Officer authority to submit the necessary notice for publication in the UK e- notification service under Regulation 72 (3) of the Public Contracts (Scotland) Act 2015.

BACKGROUND

3. In 2019 East Renfrewshire Council awarded a contract to NEC Software Solutions UK Limited (NEC) to replace the existing system OHMS (Open Housing Management System) with NEC Housing. NEC Housing is an improved system that will support all key service areas such as allocations, homelessness, estate management and repair requests. It has the capacity to substantially transform the way services are delivered.

4. The existing system is outdated and does not permit Housing Services to operate in a modern and digital way. Phase 1 of the project is nearing completion with a planned go live date in September 2022. This will provide more efficient systems for Housing Services and reduce the reliance on paper-based processes. This includes a fully digital and efficient housing application and choice-based lettings processes and enhanced digital processes for rent collection, repairs and estate management. Housing Officers will have improved information to provide advice and support to tenants and customers.

5. Despite the challenges brought by COVID 19. Housing Services have been undertaking the extensive work to implement this new system. The project is 1 year behind schedule due to the impact of COVID 19 on service demand, and the challenges associated with lockdown.

6. The contract was initially awarded for £565,740. This included capital and revenue costs for a seven-year period.

7. The initial delays to the project required a small change to the contract of £6328. This was within the council's rules regarding contract value variations and therefore was approved by the Director of Environment in April 2022.

REPORT

8. Given the complexity of the project it was split into phases, with the second phase being dependent upon the successful completion of the first phase. The first phase of the project targeted the provision of online services for choice based letting and waiting list applications along with the replacement for existing functionalities. The project now intends to move into a second phase to deliver additional functionalities. Phase 2 is based on improving digital access for both Housing Officers and customers. This will be delivered via two additional work streams:

- The use of hand-held digital devices which permit officers the ability to access the housing system in people's homes and reduce their need to be office based. It also means tenants can be given information straight away without having to wait;
- The ability for customers to "self-serve" i.e., to access their housing applications, rent accounts and repair history at any time and not just within office hours.

9. The second phase will require a contract variation in order to fully utilise all of the functionalities of the technology. The requested variation can be broken down as follows:

- The implementation of handheld devices to permit officers to work in an agile manner. The cost of this work is £24,700.
- Extension of customer online services from phase 1 housing applications and Choice Based Lettings to phase 2 online services for the rent collection and repair services. The cost of these additional services is £36,500.

10. Contract Standing Orders apply in this situation as the amount of the proposed variation (£61,200) is greater than 10% of the original contract value.

11. The relevant section of Contract Standing Order is paragraph 14 and reads

For any contract above quick quote value:-

Any desired variation in excess of the 10% or 15% limits must be referred to the Chief Officer – Legal and Procurement for consideration of its legal implications. If sanctioned by the Chief Officer Legal and Procurement the proposed variation must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

FINANCE AND EFFICIENCY

12. The total cost of the variation required is £61,200.

13. The implementation of phase 1 of NEC housing will delivery efficiencies through the reduction of the paper-based processes and improve information and performance systems.

14. Phase 2 will deliver efficiencies by providing officers with the ability to access information in people's homes and remove the requirement to update systems in Council offices. This permits Housing Officers greater time to be in homes and communities providing support and assistance. Online services also permits customer to request services access information at any time of the day from their homes.

15. Cabinet are asked to note that the capital costs associated with this development work will be met by Housing Service's HRA capital funding. Thereafter ongoing revenue costs are to be provided by Housing Services and managed as part of ICT's contract management arrangements.

CONSULTATION

16. Legal Services and Procurement were consulted on the use of Contract Standing Order 14.

PARTNERSHIP WORKING

17. This project is governed by the Housing Redesign Project Board, which includes representatives from ICT, Housing, Procurement and NEC.

IMPLICATIONS OF THE PROPOSALS

18. There are no staffing, property, legal, State Aid, equalities or sustainability implications of this proposal.

19. There are ICT implications related to data protection which ICT colleagues are aware of. These implications require the completion of a Data Protection Impact Assessment by the Housing Service with input from ICT. This issue has been the subject of scrutiny by both Housing staff and ICT colleagues in order to ensure compliance.

CONCLUSIONS

20. The implementation of NEC Housing is an exciting programme of change within Housing Services that aims to improve and increase our digital capabilities with our tenants to enhance the customer journey for those accessing our services. The requested variations are essential to derive full benefits from the technology.

RECOMMENDATIONS

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Director of Environment

Further details can be obtained from Phil Daws Head of Environment (Strategic Services) on 0141 577 3186.

Convener contact details

Councillor Danny Devlin
(Convener for Housing and Maintenance Services)

Home: 0141 580 0288
Office: 0141 577 3107/8

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