

## LONDON BOROUGH OF CROYDON

To: All Members of Council

Croydon Council website

### **STATEMENT OF EXECUTIVE DECISIONS MADE BY Cabinet Member for Finance & Resources ON 8 MAY 2020**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Please note, that as the decisions below are not Key Decisions, they are not subject to call-in.

The following apply to the decision below:

**Reasons for these decisions:** As set out in the report.

**Other options considered and rejected:** As set out in the report.

**Details of conflicts of interest declared by any Cabinet Member:** None

**Note of dispensation granted by the Head of Paid Service in relation to a declared conflict of interest by that decision maker:** None

The Leader of the Council has delegated to the Cabinet Member for Finance & Resources the power to make the executive decisions noted out below:

**Decision No.: 2120FR**

**Details of Decision: HOUSING IT SYSTEM CONTRACT EXTENSION (OHMS)**

**Details of decision:**

Having carefully read and considered the Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Finance & Resources in consultation with the Leader of the Council

**RESOLVED:**

1. To approve the contract variation of the OHMS Housing Management IT System provided by Northgate Public Services Limited, to enable an extension of the contract for a contract term of one year until 31 March 2021 for an additional cost of £129,153, in accordance with Regulation 30 of the Council's Contracts and Tenders Regulations resulting in an aggregate value of £626,831.

2. To note that the Director of Commissioning and Procurement has approved a waiver under Regulation 19 of the Tenders and Contracts Regulations against the requirement under Regulation 11.3.1 for the reasons set out in paragraph 3.7

**Signed:** Council Solicitor and Monitoring Officer

**Notice date:** 09 July 2020

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<b>REPORT TO:</b>	<b>CABINET MEMBER FOR FINANCE &amp; RESOURCES</b>
<b>SUBJECT:</b>	<b>Housing IT System Contract Extension (OHMS)</b>
<b>LEAD OFFICER:</b>	<b>Julia Pitt Director of Gateway Services</b>
<b>CABINET MEMBER:</b>	<b>Councillor Simon Hall Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b> The recommendations within this report contribute to the 2018 – 2022 Corporate Plan Operating Model themes below: <ul style="list-style-type: none"><li>• Good, decent homes affordable to all.</li><li>• Everyone feels safer in their street neighbourhood and home.</li><li>• People live long, healthy, happy and independent lives.</li><li>• A cleaner and more sustainable environment.</li></ul>	
<b>FINANCIAL IMPACT</b> The proposed extension for the OHMS system will be for one year until 31 March 2021 for a sum of £129,153. The extension of the current contract will be funded from the existing revenue held within the ICT and Place Departments.	
<b>KEY DECISION REFERENCE NO.: N/A</b>	

<p>The Leader of the Council has delegated to the Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below.</p> <p><b>1. RECOMMENDATIONS</b></p> <p>The Cabinet Member for Finance &amp; Resources, in consultation with the Leader of the Council, is recommended by the Contracts and Commissioning Board to:</p> <p>1.1 Approve the contract variation of the OHMS Housing Management IT System provided by Northgate Public Services Limited, to enable an extension of the contract for a contract term of one year until 31 March 2021 for an additional cost of £129,153, in accordance with Regulation 30 of the Council's Contracts and Tenders Regulations resulting in an aggregate value of £626,831.</p> <p>1.2 To note that the Director of Commissioning and Procurement has approved a waiver under Regulation 19 of the Tenders and Contracts Regulations against the requirement under Regulation 11.3.1 for the reasons set out in paragraph 3.7</p>
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### 2. EXECUTIVE SUMMARY

- 2.1 A new Housing Management IT system is being procured, with a target date to become operational by 31 March 2021. In the meantime, the existing legacy system, OHMS from Northgate Public Services Limited, will continue to be required.
- 2.2 A variation to extend the term of the OHMS system support and maintenance agreement is required to ensure that the system is supported until the new system is procured and implemented.
- 2.3 The existing contract will expire on 30 March 2020.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1567/20-21	14/04/2020

### 3. DETAIL

#### Background

- 3.1 The alignment of service system solution contracts across the People and Place departments and the procurement of new system solutions for the service areas as detailed will provide the Council with opportunities that will help improve the way it operates including:
- greater integration of systems;
  - efficiencies;
  - enable data to be used in a way that will help the Council align repairs and planned maintenance programmes;
  - consider the needs of the whole family – working towards a Single View of the customer/family and
  - improve data analytics to inform future service strategies and solutions.
- 3.2 Time therefore is needed to conduct the above activities and allow for the specification, procurement and implementation of systems to match these new requirements. The procurement exercise for a new Housing Management system has commenced.
- 3.3 Software for the current solution was purchased with perpetual licences giving the Council ongoing rights to use the software. Support and maintenance was also procured as part of the software purchase and has historically been renewed year on year.
- 3.4 The Housing contract with Northgate commenced in 2015 for a term of 2 years from 1 April 2015 to 31 March 2017 and the original contract value was £194,000. An

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extension and variation for a term of 2 years was awarded at a value of £195,005 to an aggregate value of £389,005 (CCB1207/16-17). Both extensions have been implemented. A further one year extension to 2020 was awarded by CCB reference 1330/17-18 for a further value of £108,677.63.

- 3.5 The new extension of one year from 1 April 2020 to 31 March 2021 requested by this report will increase the contract value by a further £129,153 to a total contract value of £626,835.
- 3.6 The proposed variation is contrary to the requirements of Regulations 72.1(b) and 72.9 of the Public Contracts Regulations, which require a procurement procedure to be undertaken if a proposed variation does not fall within any of the criteria set out in this Regulation. A waiver against this requirement has been requested since the risk of any procurement challenge is considered to be low, in light of the fact that the extension is only required to allow the time for a smooth transition to the new ICT system which is being procured through an EU Restricted Tender procedure and has given suppliers the opportunity to tender for the new system.
- 3.7 Strategic contract management will be led by the relevant Directors with oversight and guidance from the Commissioning and Procurement and the category manager.
- 3.8 Account performance reviews will be held with the supplier and a contract board established with membership from both departments, Croydon Digital Service and Procurement.

## **4. CONSULTATION**

- 4.1 A survey of system users and other stakeholder's views on existing services and future expectations has been carried out and stakeholders have been fully involved in all aspects of procurement and will continue as part of on-going performance management.
- 4.2 The following have been consulted:
  - Head of Service Development, Housing Needs
  - Manager, Asset Management
  - Director of Gateway
  - ICT Systems Procurement Programme Board
  - Performance management
  - Finance Manager, Resources
  - Business Systems
  - Information Management
  - Croydon Digital Service

## **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 This contract is currently funded from revenue budgets held corporately by the ICT department. This forms part of a central budget of £1m that is used to fund

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the on-going costs of a range of the council's smaller local systems. The total estimated cost per annum is £129,153.

5.2 The estimated individual costs are based on the current costs below:

### 5.3 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast	
	2018/19	2019/20	2020/21
	£'000	£'000	£'000
<b>Revenue Budget available</b>			
Expenditure			
Income	130	130	130
<b>Effect of decision from report</b>			
Expenditure	130		
Income			
<b>Remaining budget</b>	0	130	130
<b>Capital Budget available</b>			
Expenditure			
<b>Effect of decision from report</b>			
Expenditure	0	0	0
<b>Remaining budget</b>	0	0	0

### 5.4 The effect of the decision

The implementation of this strategy will commit the Council to a 1 year contract extension at an estimated cost of £129,153 which will be met from existing budget.

### 5.5 Risks

No.	Risk	Mitigation
1	Supplier looks to increase charges for extension.	Negotiation with Supplier to minimise impact is complete.
2	There is a challenge from another supplier.	Ensure procurement and legal processes are considered. This is a short term measure to ensure sufficient time for procurement and implementation. Engagement with potential suppliers as part of the new procurement, reduces the likelihood of a formal challenge to this extension
3	The implementation is not delivered in time.	Implementation milestones will be part of the contract (post

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No.	Risk	Mitigation
		procurement and contract clarification period) and therefore will work as contractual requirements
4	Lack of funding to progress activities needed to achieve key dates	Outline resource profile developed. Business Case approved which included resources identified. Once the successful bidder has been confirmed, the assumptions in the business case can be reviewed

### 5.6 Options

No other options were considered as the variation and extension is required to ensure there is sufficient time to finalise the procurement and implementation of any new system.

### 5.7 Future savings/efficiencies

Future savings possible with the introduction of a new ICT system but for the purposes of this report, none identified

Approved by: Flora Osiyemi, Head of Finance Place on behalf of Director of Finance

## 6. LEGAL CONSIDERATIONS

6.1 The Solicitor to the Council comments that the legal considerations are as set out in this report.

Approved by Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

## 7. HUMAN RESOURCES IMPACT

7.1 There are no direct Human Resources implications arising from this report for Council employees, as it involves the extension to an existing contract. It is likely that there would be workforce implications for the implementation of the new Housing Management system; however, this is a separate matter and would be managed in accordance with the Council normal policies, procedures and practices.

Approved by: Debbie Calliste, Head of HR for Health, Wellbeing and Adults on behalf of the Director of Human Resources

## 8. EQUALITIES IMPACT

8.1 An initial Equality Analysis has been completed and a full analysis will be required as part of the commissioning process as per request from the last contract approval. The services will continue to support some of the most vulnerable residents in

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Croydon and as such will need to be assessed as fully meeting their needs in terms of customer care and quality of delivery. No discernible impacts identified as a result of this strategy - continuation of existing services.

Approved by Yvonne Okiyo, Equalities Manager

### **9. ENVIRONMENTAL IMPACT**

- 9.1 No discernible impact identified as a result of this strategy - continuation of existing services.

### **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no direct crime and disorder impacts identified as a result of the proposed contract award.

### **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 The variation for extension is required in order to allow for the re-procurement and implementation of a new Housing Management IT system which after planning and review will take longer than previously thought. This is to ensure the continuation of existing support services which is essential to the Housing Management functions of the Council.
- 11.2 The Housing Management IT system re-procurement has taken longer than originally envisaged due to (a) the re-procurement of Adults & Childrens Social Care systems and Education systems being prioritised over Housing; and (b) expanding the Housing Management system scope to include the previously separate Housing Asset Management system re-procurement.

### **12. OPTIONS CONSIDERED AND REJECTED**

- 12.1 No other feasible options have been identified. To stop using the system at the end of the contract would adversely affect housing and asset management for the Council.

### **13. DATA PROTECTION IMPLICATIONS**

- 13.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**YES**

Council tenant data including families' carers and other personal data.



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Also, personal data of housing applicants, homeless families, tenants and leaseholders.

Information relates directly to users of the service that have come into contact with housing i.e. name, address, D.O.B, ethnicity, vulnerabilities and disabilities. NI numbers, bank details, income, rent arrears, leasehold and debts etc.

Details of providers (lessors) of private rented accommodation to the council.

### 13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

YES signed off DPIA attached

The Head of Digital Operations – Croydon Digital Service notes that the recommendations contained in the DPIA will be carried out and monitoring will endure these actions are undertaken. A data processing agreement between the supplier and the council will be entered into.

Approved by: Dave Briggs Head of Digital Operations – Croydon Digital Service

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**CONTACT OFFICER:**

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**BACKGROUND DOCUMENT:**

Appendix 1 – Data Protection Impact  
Assessment