Bolsover District Council

Executive

11th September 2017

Housing IT Upgrade

Report of the Deputy Leader and Portfolio Holder – People and Places

This report is public

Purpose of the Report

- To agree to upgrade the Current Housing Management System

1   Report Details

1.1   Since around 2000 the Housing Department has used Capita as the main housing management software. In addition to the main software the department also uses other software such as Arbritas (choice based lettings), Codeman (asset management), First Touch (mobile working), Optitime (work scheduling). These are interfaced to the main system.

1.2   Although the current system has worked well it appears to be approaching the end of its life. Capita offer an upgraded product that is a complete rebuild and uses different architecture to operate. Although there are no plans to stop support for the current system, there is very little development. We understand the existed version is no longer being sold to new clients. In contrast the upgrade is being actively developed and marketed.

1.3   Although both software systems offer housing management functionality, The current system relies on third part products interfaced to the system. In contrast the upgrade contains much of the functionality within the main product.

The upgraded system also offers much more functionality than the existing system.

Existing	Upgrade
Codeman *	Asset Management
	Decent Homes
	Planned Maintenance
Biquery	Master query
Debt Management	Debt Management

Homelessness and Housing Advice	Homelessness and Housing Advice
Void	Housing and Void Control
Direct Debit	Direct Debit
Repairs	Total Mobile Repairs
	Service Charges
	Servicing
	Asbestos Data
Workforce scheduling *	Workforce scheduling *
Core	Core
Housing Allocations	Housing Allocations
	The Hub
Rents	Rents
Repairs and Maintenance	Repairs and Maintenance
Biquery	Insight
Choice based lettings *	Choice Based Lettings
Mobile solution (3rd party)*	Mobile Solution (Capita)

(* indicates that functionality is via an interface to a thirds party product)

1.4   The Housing Department has a service plan commitment to review IT provision by 2019. And as part of this has received product demonstrations from the two main suppliers of Housing Management Software.

1.5   Officers concluded that an upgrade would provide a long term answer to the needs of the Housing Service and asked Capita to price this.

1.6   There are no additional software costs for the upgrade. And the new system has significant lower licensing and annual maintenance costs than the current system (for clarity this compares the current system with 'add-ons' that will be replaced with the upgraded integrated system. Some costs such a Omfax, the repair diagnostic and Opti-time scheduling remain and have been excluded from the calculation) However there are significant service costs for the initial implementation, this is mainly costs for Capita staff involved with the implementation.

1.7   Overall there will be a nominal saving over a ten year period. However, as seen above, the upgrade offers significantly more functionality.   The overall cost of this upgrade is significantly less then purchasing a new system through a tender process. Moreover, Capita staff are well experienced in this work, and it avoids conflict and blame between different suppliers.

1.8   ICT staff have been invited to all software presentations.

1.9   Given that the implementation of the software will be led by just 2 permanent staff within the Housing Service (Innovation Officers) it is proposed to introduce the upgrade over a 18 month period with a target go live date of April 2019 for the existing functionality. As part of the implementation plan a Project Board will be developed with officer and member representation.

1.10   The main cost for upgrading is in consultancy days from Capita. This include on site and off site days involved with the build. In addition there will be upfront licence costs to pay.

1.11 Savings for the project come from the reduced ongoing maintenance costs of the systems. The maintenance of the upgraded Capita system is around 50% of the current costs, and a number of third party payments will cease. Moreover there will be ongoing savings from upgrades which all systems need from time to time, for example Abritas have quoted £30k for an upgrade to their system which will not be needed with an upgrade to the Capita system. (The business case assumes the current systems will cost £5,000 per year more than the single system, the Abritas upgrade is included)

Although the proposal will cost more in year one there will be significant saving in future years.

1.12 As part of the implementation it is proposed to introduce an additional member of staff for an 18 month period. This role will be to assist the Innovation Officers in the build of the new system, including testing the system and data inputting/checking. This role could also 'backfill' some of the routine jobs carried out by the Innovation Officers. The total cost for this role, assuming grade 5, would be £37,340 for an 18 month period. This post would be subject to job evaluation

Estimated Expenditure

	Current System	Proposal	Additional Staff costs	(Saving) / Cos
Year 1	£111,280.00	£305,195.00	£12,447	206,362
Year 2	£82,424.20	£38,075.70	£24,893	-19,456
Year 3	£83,585.56	£38,646.83		-44,939
Year 4	£84,764.35	£39,226.53		-45,538
Year 5	£85,960.81	£39,814.93		-46,146
Year 6	£87,175.22	£40,412.15		-46,763
Year 7	£88,407.85	£41,018.34		-47,390
Year 8	£89,658.97	£41,633.61		-48,025
Year 9	£90,928.85	£42,258.12		-48,671
Year 10	£92,217.79	£42,891.99		-49,326
TOTAL	£896,403.61	£669,173.20	£37,340	-189,890

This suggests a project saving of £189,890 over a ten year period. With payback within 5 years. However, more realistically the software is likely to last at least 15 years which provides an additional saving of around £250,000.

1.12   The costs for this upgrade can be met from existing Housing Budgets. The upfront
        development costs would be capitalised and there would be an ongoing revenue
        saving from this proposal.

2   Conclusions and Reasons for Recommendation

2.1   That the current software needs to be upgraded, and the Housing Service will
        benefit from the additional functionality that the upgrade allows.

2.2   The Housing Management System is upgraded

3   Consultation and Equality Impact

3.1   None directly

4   Alternative Options and Reasons for Rejection

4.1   To retain the current – rejected as the software is not being actively developed.

4.2   To introduce new software from a different supplier. Rejected as this process could
        only being after a full tender process which is both costly and time consuming.

5   Implications

5.1   Finance and Risk Implications

5.1.1   The total cost of the upgrade is £706,503 over a ten year period. This includes the
        cost of consultancy days as part of the implementation (£190,182), licence fees
        (£77,500), maintenance (£37,513 in year 1 and increase by inflation) and a
        temporary officer (£37,340).

        The total cost of remaining with the current system over the 10 year period is
        £896,403 for maintenance and licence fees fees. (£81,275 in year 1 and increase
        by inflation)

        The Savings over the ten year period are estimated at £189,890. There is a
        payback period of 5 years on the project.

        There are risks inherent in any software upgrade. However these are minimised by
        choosing an upgrade rather than migrating to a new system. A risk register will be
        developed and maintained by the project team.

        There is significant risk in remaining with the exiting system is Capita withdraw
        support and/or cease development of the system.

5.2   Legal Implications including Data Protection

5.2.1   None directly.

5.3   Human Resources Implications

5.3.1   The report recommends creating one additional temporary post. HR have been consulted.

6   Recommendations

6.1   That the Council upgrade the Housing Management system

6.2   That the JAD Community Safety and Head of Housing is given the delegated power to further negotiate with Capita on the cost and to procure in consultation with the Deputy Leader.

6.3.   To agree to fund a temporary post is introduced for a period of 18 moths to assist the Innovation Officers in the implementation.

6.3   That Members are kept informed of the progress of the implementation.

7   Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: *BDC: Revenue - £75,000* ☐ * Capital - £150,000* ☑ *NEDDC: Revenue - £100,000* ☐ * Capital - £250,000* ☐ ☑ *Please indicate which threshold applies*	Yes
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	Yes
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	Housing Department Service Plan

8   Document Information

Appendix No	Title
	N/A

Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	

Report Author	Contact Number
Assistant Director – Community Safety and Head of Housing (BDC)	

Report Reference –