

North Tyneside Council

Report to Cabinet

Date: 22 February 2021

Title: Unified ICT System for Housing, and interim system

Portfolio(s):	Housing Strategy Housing Management	Cabinet Member(s):	Councillor Steve Cox
Report from Service Area:	Environment, Housing and Leisure		
Responsible Officer:	Phil Scott, Head of Environment, Housing and Leisure		(Tel: (0191) 643 7295
Wards affected:	All		

PART 1

1.1 Executive Summary:

The purpose of this report is to:

- Inform Cabinet of the strategic review of the Housing, Asset and Repairs ICT systems with a view to developing a joint business requirement as a first stage towards procuring a unified system solution. The review stage will be completed in Spring 2021, and a further report will then be brought to Cabinet outlining next steps and any procurement proposals. It is anticipated that the procurement and implementation of a unified system would take place by March 2023.
- Seek Cabinet approval for the modification of the current contract for the Northgate Housing system to March 2023. This will ensure the system is supported until the completion of the above process, and provides the opportunity to make changes to the contract to reduce the cost of the system and introduce some improvements.

1.2 Recommendation(s):

It is recommended that Cabinet

- (1) Note the content of the report with regard to the system review;
- (2) Approve the terms of the modification of the current contract for the Housing system.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 22nd January 2021.

1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2020-24 Our North Tyneside Plan:

Our Places will:

Offer a good choice of quality housing appropriate to need, including affordable homes that will be available to buy or rent.

1.5 Information:

1.5.1 In September 2020, ICT Board gave approval for a review of the Housing, Asset and Repairs ICT systems with a view to developing a joint business requirement and procuring a single system solution. The Authority currently operates several ICT systems to deliver its Housing, Housing Property and Construction, Asset, and Strategic Investment and Property services. These systems include, Northgate, AccuServ, SHINE and Keystone. These services have limited interfaces to ensure the transfer of important information and data between them.

1.5.2 A move to a unified solution could improve service delivery through more 'joined up' systems, processes and data, and has the potential to provide cost efficiencies. Potential benefits include:

- Improved data quality
- Streamlined services
- Reduced interfaces between systems
- Improved customer and user experience

These benefits and others will need to be explored in more detail, agreed, documented and monitored through the proposed project. This is a significant project which will take 2-3 years from the initial system review through to full implementation.

1.5.3 The proposal is for a 3-stage process: Review, Procurement and Implementation, to be completed by 2023. It is anticipated that the Review stage will be completed by Spring 2021. A further report will be brought to Cabinet after this stage is complete, and when there are clear proposals for next steps.

1.5.4 In the interim, there is an opportunity to reduce the cost of the current Northgate Housing system through a modification of the current contract. This would allow the service to cease maintaining elements of the software that are no longer used and, introduce some improvements to functionality, at a lower overall cost than maintaining the status quo.

1.5.5 The proposed modified contract will run to March 2023. This will ensure the system can be maintained with some improvements to functionality, while the longer-term unified system project is delivered.

1.5.6 The key factors affecting a decision on the modified contract are as follows:

- **Fragmentation:** Current systems are very fragmented: there are separate solutions in place for online access to rent balances, and for predictive analytics. These do not integrate with the main Housing database, resulting in duplication of work and the risk of inconsistent information between systems. The unified system project will address

this at a strategic level, but there is an opportunity to resolve some key issues in the short term through the modified contract.

- **Online:** The Service has an ambition to deliver better online services to tenants and customers, but progress has been limited due to the technology available. For instance, the in-house solution that allowed tenants to access their rent accounts online was built on old technology and failed, and whilst a limited workaround solution is in place, this does not allow tenants to interact with their accounts in any meaningful way, so the service continues to invest significant resource in handling calls and queries. In the light of the Covid situation, it is becoming increasingly important to support customers to interact with the Authority online. The proposed modified contract will add some portal functionality integrated with the core system.
- **Analytics:** Currently the service buys into a separate analytics package, RentSense, which uses a weekly upload of payments data from the Northgate system. The Policy, Performance and Research team is developing a replacement for RentSense using the Alteryx analytics solution that is already used in other areas of the Authority. This will be more flexible to meet the changing needs of the Service, and can be tailored to meet the Authority's local requirements. The modified Northgate contract includes new APIs (connections between systems) that would allow Alteryx to draw live data directly from the Northgate system, removing the dependence on data uploads, and allowing more timely information to be provided to the Service
- **Cost:** In recent years the contract has been renewed on an annual basis. The proposed modified contract is an opportunity to reduce costs and obtain a system configuration that is a better match for service needs.

1.6 Decision options:

The following decision options are available for consideration by Cabinet. These options are based on the contract options available from the supplier.

NB: there is no option to cease support and maintenance for the system. The Northgate system supports approx. £65m in rent payments per year, and no alternative system will be available until the strategic procurement for the unified system is complete.

Option 1: Maintain the status quo :

This assumes the current configuration of the software is retained, with no additional functionality, and the contract continues to be renewed on an annual basis.

Benefits

- No change in process, so no additional effort and no governance requirements
- System continues to be supported by the supplier
- Core system functionality (e.g. rents) continues to be available.

Disadvantages / risks

- Fails to take advantage of discount – cost is at least £11k more than the modified contract .
- Maintains modules we no longer use
- Missed opportunity to obtain functionality that will improve customer service
- Missed opportunity to 'do more for less'

Option 2: Approve the modification of the contract. (recommended) :

Cabinet could authorise the modification of the contract to include improved functionality at a lower cost than maintaining the status quo. This will provide ongoing system support & improve value for money in the interim, while a longer term solution is procured

This option involves cancellation of unused elements of the software and introduces the improvements described at 1.5.6 above. The maintenance cost over 3 years is lower than maintaining the status quo.

Benefits

- Cost saving compared to maintaining the status quo.
- Opportunity to include functionality that better meets the needs of the business, at lower cost than the current contract.
- Opportunity to improve the service to customers
- Matches long term strategic aims and aligns well to a future move to a unified system
- Includes the new APIs for connection to Alteryx
- System continues to be supported by the supplier
- Core system functionality (e.g. rents) continues to be available.

Disadvantages / risks

- Possible internal resource costs relating to implementation of new functionality and business process change.

Option 2 is the recommended option.

1.7 Reasons for recommended option:

Option 2 is recommended for the following reasons:

This option allows the functionality of the current system to be improved to better meet service objectives, at a lower cost than the current annual maintenance.

This option also aligns well with the strategic project to move to a unified system:

- It allows the system to be maintained and supported by the supplier until the unified system project concludes in 2023.
- It reduces some of the existing fragmentation of systems, which will reduce the complexity of the unified system project.
- It supports the customer-focused business process change that will be more fully delivered through the unified project.

1.8 Contact officers:

Paul Worth, Senior Manager Housing Operations, (0191) 643 7554

Jan Hawley, Information Systems Manager (0191) 643 8130

Adam Hagg, Customer Interface and Service Improvement Manager, (0191) 643 6684

1.9 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) Gateway 0 document to ICT Board, Sept 2020

(2) Contract options paper to Environment Housing and Leisure SMT, Oct 2020

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The modified contract is within the current budget allocation and provides a saving to the authority.

2.2 Legal

The proposed variation applies to a contract valued at over £500,000. Therefore in accordance with the Authority's Contract Standing Orders, the variation must be reported to Cabinet. Regulation 72 of the Public Contract Regulations 2015 allows contracts to be modified without a new procurement procedure in certain circumstances. As the modification does not alter the overall nature of the current contract and represents a saving to the Authority, the variation complies with these legislative provisions

2.3 Consultation/community engagement

2.3.1 Internal Consultation

A report was taken to Environment Housing and Leisure SMT in October 2020

A Gateway 0 for the Unified System Project was approved by ICT Board in Sept 2020, and a report on the proposed interim contract was taken to ICT Board in January 2021

2.3.2 External Consultation/Engagement

External consultation arrangements will be part of the strategic Unified System project. As advised in section 1.1 of this report, a further report on the project will be brought to Cabinet when the review stage is complete.

2.4 Human rights

No implications.

2.5 Equalities and diversity

There is no change to the demographic data being collected. Northgate have recently undertaken a review of their portal product and have carried out development to ensure the most recent release of the software complies with Web Content Accessibility Guidelines (WCAG 2.1) and Government Digital Service guidance.

2.6 Risk management

Risks will be managed through the ICT Governance process.

2.7 Crime and disorder

No implications.

2.8 Environment and sustainability

No implications.

PART 3 - SIGN OFF

- Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy and Customer Service x