

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref: NLC-CPT-23-046

Date: 06 November 2024

Contract Award for Replacement Housing & Asset Management System

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Executive Summary

The Committee is asked to approve the award of a contract for a Replacement Housing & Asset Management System (the 'Agreement') to Civica UK Limited.

The Agreement is for an initial period of 60 months anticipated to commence on 18 November 2024. The council reserves the right to extend the Agreement for additional periods up to a maximum of a further 84 months.

The maximum value of the Agreement is Two Million Pounds Sterling (£2,500,000) exclusive of VAT.

Recommendations

It is recommended that Housing Committee:

- (1) approves the award of the Agreement to Civica UK Limited at the maximum value of Two Million Pounds Sterling (£2,500,000) exclusive of VAT.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition Statement (24) Review and design services around people, communities, and shared resources

Programme of Work All Programmes of Work

1. Background

- 1.1 The council currently provides housing management and repair functions for its circa 37,000 housing stock through its Housing Services Management System (HSMS) and Common Housing Register (CHR). This system is an in house developed systems which have continued to be maintained internally for over 20 years providing the flexibility of being able

to be tailored to meet the ever-changing needs of the services. However, it has become apparent that the support and maintenance cannot be sustained and carries with it a high level of risk. Substantial investment would be required to modernise HSMS & CHR to align with the 'cloud first' principle and to enable web-based functionality for mobile working and online tenant/resident engagement capabilities.

1.2 Market research was carried out towards the end of 2019 to seek a suitable replacement incorporating a housing asset management element. A further market review was carried out, and a detailed risk assessment created which ultimately led to a replacement project commencing. The project was paused in 2020 when the COVID-19 pandemic disrupted service areas and the wider council having to quickly implement home working etc. and again in 2022 as work would have coincided with the commencement of the Housing & Corporate contract formally Enterprise Contract.

1.3 The Enterprise Architecture Governance Group have been involved since 2020. They supported the use of an interim asset management system which was required to remove the use of access databases and spreadsheets. The 'Confirm' solution was agreed as a suitable solution until a replacement for HSMS was procured. Since then, the requirement for an Enterprise asset management system has been discussed and agreed the housing asset data would transition to the replacement HSMS system.

1.4 The aim of this project is to implement an all-in-one housing and asset management system bringing together all information relating to properties and tenancies into the one system providing staff with a modern intuitive system to support them in their day-to-day roles. Key objectives include:

- Achieve best value by implementing the most cost-effective solution to meet the needs of the service;
- Improve efficiencies through use of technology;
- Improve tenant/resident's interactions with the service;
- Align with the future operating model;
- Improve the skills of the workforce by introducing new technologies and delivering effective training;
- Ensuring solution is flexible and scalable to meet demand of service during the term of the contract;
- Integration to BI Hub for strategic performance information and any other data analysis;
- Ensuring most up to date software version to maintain system integrity;
- Maintaining accurate and up to date data on properties, tenancies, and service users;
- Effective supplier management; and
- Making better use of data.

Scoping Table:

In scope Elements in scope for this project to ensure objectives are met	Out of scope Elements not in scope
Functionality for Housing Management per requirements Functionality for Housing Property per requirements Functionality for Asset Management per requirements	Staffing model

Document storage Integrations to other council systems Implementation plan System testing End user training Contractor management	
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- 1.5 The requirements of the Agreement have never been contracted before by the council therefore historical information, data etc. is not available.

2. Report

- 2.1 A group of technical and procurement representatives was formed to develop and agree the procurement strategy for the Agreement to enable the council to achieve maximum benefit for the requirements.
- 2.2 The initial estimated value of the Agreement dictated that the procurement procedure be undertaken in accordance with the Public Contracts (Scotland) Regulations 2015.
- 2.3 The procurement procedure was undertaken as a mini competition from the Crown Commercial Services, Vertical Applications Solutions (RM6259), Lot 3 Housing, Environmental and Planning Solutions framework agreement.
- 2.4 Invitation to Tender documentation was issued to all 29 companies appointed to Lot 3 of the Framework Agreement with the council receiving 4 tender submissions.
- 2.5 This recommendation to award the Agreement follows the completion of a procurement procedure where Civica UK Limited has been evaluated as demonstrating Best Value for the council. The successful solution is the Cx product set.
- 2.6 Appendix 1 confirms the scoring achieved by each tenderer, further details of the procurement procedure is provided in Appendix 2 and the SME status and location of all tenderers is located within Appendix 3.

Financial / Budget Consideration

- 2.7 The pre-tender wholelife estimate budget for the full duration of the Agreement was £5,000,000. Following completion of the procurement procedure, the value of the Agreement to be awarded is Two Million Pounds Sterling (£2,000,000) exclusive of VAT.
- 2.8 The current internal HSMS incurs licence fees of £40,000 per annum. Additionally, 2 x Contract Progress Analysts / Programmers are employed full-time at a combined cost of approximately £200,000 per annum (with annual uplifts). These analysts are responsible for supporting, integrating and maintaining the development of the system and will remain in-situ until the replacement systems goes live. Thereafter, these costs will cease.
- 2.9 The costs associated with delivery of the Agreement will be contained within mixed Revenue and Capital budget. The implementation, training and year one costs will be covered from the Capital Budget (HRA Mainstream Capital Budget) with the remaining Revenue budget from Housing.

Price Stability

- 2.10 The pricing is fixed for the first 5 years of the agreement. All optional extension years will be subject to an application from the Supplier requiring pre-defined criteria to be satisfied to allow appropriate consideration of increase requests.
- 2.11 Please find below a high-level breakdown of the total pricing for each of the requested categories during the evaluation process.

Summary Headings	Costs
System Implementation	£356,550.12
Training	£24,000.40
Licensing, System Support, Maintenance & Hosting (per-set pricing model)	*£965,501.22 over potential full 12-year duration (£80,458.44 per annum).
Total evaluated pricing	£1,345,051.74

*This item includes 3.8% year on year uplifts for years 6 to 12. These are not automatically given and were for evaluation purposes. Price variation for those years is to be managed in accordance with the corresponding schedule.

- 2.12 The contract is to be awarded at a maximum value to allow for licence fluidity and price variations process in years 6 to 12 and any customer enhancement in future years.

Community Benefits

- 2.13 The council is committed to maximising the delivery of community benefits. The procurement included a community benefit requirement, this approach is designed to deliver local community benefits where possible.
- 2.14 Within their tender, Civica UK Limited committed to deliver the following community benefits within the Agreement:

Community Benefit Type	Quantity Committed
Educational Visits	10
Financial Support for a Community Project / Organisation	10

- 2.15 The community benefits delivered as part of the Agreement does not include the creation of jobs or apprenticeships.

Fair Work First

- 2.16 Within their tender submission, Civica UK Limited advised that they commit to key areas of the Scottish Governments "Fair Work First" initiative.

Contract Management

2.17 Officers from Housing will be responsible for implementing and managing the Agreement which will be undertaken in accordance with the contract and supplier management conditions applied within the Agreement.

3. Measures of success

3.1 The Agreement will deliver the following outcomes:

- Cloud hosted solution - The new system will be cloud hosted removing the requirement for on-premises servers within the North Lanarkshire Council's IT infrastructure. This move to cloud hosting offers multiple advantages, including scalability, reduced maintenance overhead, and the ability to access the system from virtually anywhere with an internet connection.
- Enhanced functionality - Implementing a new system will provide functionality that is currently unavailable in the existing system, meaning the council will have access to a broader range of tools and features, which can streamline housing management tasks and improve decision-making processes.
- Regular Updates - The new system will be designed to receive regular updates. This is critical for staying compliant with evolving legislation and security requirements. Keeping the system up to date ensures that it remains secure and aligned with the latest industry standards and best practices.
- Mobile Working Capabilities - The anticipated system will enable council staff to work remotely using mobile devices. This feature can significantly improve operational flexibility and responsiveness. Staff can access critical information and perform tasks while on the field or working from home, enhancing overall productivity.
- Online Tenant Services –The system will have the ability to provide online services to tenants. This feature enhances tenant engagement by offering them convenient digital tools to interact with the council. Tenants can access information, submit requests, and communicate with the council through online channels, improving customer service and satisfaction.
- Efficiencies - The successful implementation of an integrated housing and asset management system providing a modernised operational model providing efficiencies and improved services to both staff and tenants whilst ensuring cost-effectiveness for the council.

3.2 Best Value has been considered to be demonstrated by Civica UK Limited having achieved the highest ranking upon conclusion of the evaluation process.

4. Supporting documents

Appendix 1	Summary of Tender Evaluation Process
Appendix 2	Summary of Procurement Process
Appendix 3	SME Status and Location of All Tenderers



Stephen Llewellyn
Chief Officer (Housing)

5. Impacts (<http://connect/report-template-guidance>)

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? Discussion have taken place with finance in relation to the budget requirement and all funding has been agreed and is being projected with appropriate budget projections.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Approval of this report will bring a new technology solution to the council that will impact digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi.</p>

Approval has been given by EAGG to stage 3 – contract award and further processes to be completed following that can only be concluded following contract award. Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Risks are recorded on the Service Risk Register, linked to the risk for the provision of housing services.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1 – Summary of Tender Evaluation Process

Final Rank	Tenderer Name	Total Tender Score (%)	Recommended for Award (Yes / No)
1	Civica UK Limited	92.33%	Yes
2	Capita Business Serviced Limited	75.07%	No
3	NEC Software Solutions UK Limited	71.52%	No
4	Insight Direct (UK) Limited	53.35%	No

Appendix 2 – Summary of Procurement Process

	Response			
CPT Contract Reference Allocated:	NLC-CPT-23-046			
Procurement Procedure Utilised:	Mini Competition			
Governing Legislation / Regulations:	Public Contracts (Scotland) Regulations 2015			
Date Contract Strategy Approved:	21 November 2023			
Framework / DPS Owner:	Crown Commercial Services			
Framework / DPS Title:	Vertical Application Solutions			
Framework / DPS Reference Number:	RM6259			
Lot Reference / Title:	Lot 3 - Housing, Environmental and Planning Solutions			
Companies Appointed to Framework / Lot:	29			
Number of Companies Invited to Take Part:	29			
Date ITT Published:	06 May 2024			
Tender Platform Utilised:	PCS-Tender (PCST)			
Tender Return Deadline:	28 June 2024			
Number of Tenders Received:	4			
Tenders from SME's:	0			
Tenders from NLC Based Tenderers:	0			
Tenders from Supported Businesses:	0			
Number of Non-compliant Tenders:	0			
Number of Compliant Tenders:	4			
Number of Recommended Tenderers:	1			
Basis of Award:	Quality:	60%	Price:	40%
Evaluation Team:	Housing Business & Digital			
Anticipated Start Date of the Agreement:	18 November 2024			
Total Agreement Period (Months):	Initial period = 60 months Extension period = 36+24+24 months			
Maximum Awarded Value of the Agreement:	£2,500,000			

Appendix 3 – SME Status and location of all Tenderers

Name of Tenderer	Size of Tendering Organisation (Micro, Small, Medium or Large)	Location (Local Authority / Council Area)
Civica UK Limited	Large	London
Capita Business Serviced Limited	Large	London
NEC Software Solutions UK Limited	Large	Hertfordshire
Insight Direct (UK) Limited	Large	Norfolk