POLICY & RESOURCES COMMITTEE	**Agenda Item 37** Brighton & Hove City Council

Subject:	**Housing Asset Management IT System Replacement**
Date of Meeting:	**7 October 2021** 22 September 2021
Report of:	**Executive Director Housing, Neighbourhoods & Communities**
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Ward(s) affected:	**All**

FOR GENERAL RELEASE

1   PURPOSE OF REPORT AND POLICY CONTEXT

1.1   The Council Housing Revenue Account (HRA) Asset Management Strategy acts as a link between Housing Strategy priorities and investment programmes and reflects the Housing Committee Work Plan 2019-23. The key objectives of the current Asset Management Strategy are to:

- Provide a framework for investment and maintenance of homes and neighbourhoods to provide safe, good quality housing and support services.

- To invest in zero carbon initiatives to support the city's commitment of becoming carbon neutral by 2030.

- Ensure financial viability of the HRA in the long and the short term.

1.2   An asset management IT system is required to manage stock information on various asset types, including dwellings, blocks, garages, plant, and equipment. It is used to record details of the asset, the life of the asset and its components, to record the condition of assets and plan future investment and repairs.

1.3   The Housing service is seeking approval to delegate authority to the Executive Director, Housing, Neighbourhoods and Communities to procure a new asset management IT system and award a contract to the preferred supplier. A compliant procurement process to replace the current Rowanwood asset management IT system (APEX) is required and the council needs to ensure it is getting the best value for money and is using the most efficient system to manage its council housing stock.

1.4   We require the asset management IT system to:

    i)   Hold key information on housing assets to enable the council to plan, resource, fund and manage the condition of all its assets, for example estates, blocks of flats, individual properties, and property elements such as boilers and water heaters.

    ii) Give an in-depth, real-time view of the council's housing stock information in one place, and enable timely, confident, and accurate decision making in forecasting and financial planning.

    iii) Ensure properties meet current legislative, compliance, regulatory and corporate standards with efficient and effective automated processes.

    iv) Support the council in delivering on its' asset management strategy and the council's objective of being carbon neutral - linked to energy and environment sustainability.

1.5   This report also seeks approval of the estimated project costs required to procure and implement a new asset management system.

2   RECOMMENDATIONS:

2.1   Housing Committee agree and then recommend to Policy & Resources Committee:

2.2   That the Executive Director Housing, Neighbourhoods & Communities is granted delegated authority to:

    i)   Procure a new asset management IT system for the councils' housing service.

    ii) Award a contract with the preferred supplier for a period of five years, with an option to extend by two years subject to satisfactory supplier performance.

2.3   Approval of a £0.515m budget to be added to the Housing Revenue Account (HRA) capital programme for the project's procurement and implementation activity.

3   CONTEXT / BACKGROUND INFORMATION

Strategic Approach – IT and Housing

3.1   As previously reported to Housing Committee, key to the Housing service IT transformation programme is the replacement of the councils' lead housing management system. The first phase of this work was implemented in July 2021. Other priorities include to replace the current works management system provided by Mears as part of the repairs insourcing, and to replace the asset management system.   In procuring a replacement asset management IT system it is important that there is an interface with other Housing IT systems.

3.2   The following corporate and departmental principles and priorities are driving Housing's IT transformation programme:

i) A ***Modernising Council*** - to have effective and efficient IT solutions that are robust and integrated in delivering services, streamlined to improve customer services, provide value for money and technological innovation.

ii) Our ***Customer Promise*** – having joined-up integrated systems ensures services are provided right first time to improve customer satisfaction.

iii) To '***Make our city carbon neutral by 2030***' – good asset information will help the Council plan for and meet the challenges of retrofitting its housing stock to contribute to being carbon neutral by 2030.

iv) To ***'Improve access to good quality housing - a city to call home'*** – robust information and data management will help manage risk and ensure compliance.

3.3 The current contract with Rowanwood is an interim arrangement to allow time to carry out the procurement and project implementation activity.

3.4 Procuring a new system presents opportunity to modernise and deliver automated and more efficient ways of working. A new system with provide better mobile working capabilities for staff and contractors as well as improving our asset management data and interfacing into other housing systems, bringing information together to better manage strategic planning and provide full active asset management functionality whilst also ensuring effective day-to-day management and maintenance. This will support greater intelligence-based asset management decisions giving a greater understanding of the needs of our customers and their homes.

Procurement Approach

3.5 Procurement advice has been sought to ensure that the Council achieves value for money and is compliant with both The Public Contracts Regulations 2015 and the Council's Contract Standing Orders (CSOs).

3.6 The procurement route being explored is a competition via an existing national framework agreement, such as the government's G-Cloud, which would allow us to meet the requirements of the Council Contract Standing Orders. This route is where pre-qualification of providers has been completed by the framework provider to offer a quicker and efficient approach. The suppliers on the frameworks include most of the leading software providers, and some newer software providers. Suppliers on the framework enter a 'mini competition' against a specification, to ascertain the most economically advantageous tender.

3.7 The estimated costs of purchasing, implementing the new system and the project team is £0.515m for which budget approval is being sought at recommendation 2.3. The national framework agreements procurement terms and conditions are based on a five-year contract, plus option to extend a further 2 years.

3.8 The council has undertaken soft market testing of asset management systems where key Housing and ICT staff have observed demonstrations from both leading and emerging software providers in the market that has shown that there are many IT systems already available to buy. Planning, specification, procurement and implementation of the asset management IT system is being led by a Housing Systems Project Manager working as part of our wider Housing Systems Programme Team with the support of relevant corporate services. This work is overseen by a wider Housing ICT Programme Board.

3.9 The specification for the system will fit with the emerging corporate IT strategy and comply with corporate data and accessibility standards. These will require data integration, system interoperability and inclusive accessibility.

3.10 If recommendations are approved, based on using the framework agreement procurement route, the following provisional timescales will apply.

i)	winter 2021	procurement activity starts
ii)	spring to summer 2022	procurement tender and evaluation
iii)	summer 2022	contract awarded and mobilisation
iv)	summer 2022 to spring 2023	pre-implementation activities
v)	spring 2023	go-live with a new system

4 COMMUNITY ENGAGEMENT & CONSULTATION

4.1 This is not required as this is not a customer facing IT system.

5 CONCLUSION

5.1 The Council has a requirement to ensure that its systems and software are fit for purpose and to manage its housing stock effectively and efficiently.

5.2 Procurement of a new system will lead to strategic and operational improvements in the Council's council housing asset management responsibilities.

5.3 Due to the length of the current contract the service is bound to test the market and ensure a compliant procurement process is carried out.

6 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

6.1 Procurement of this new IT system will enable the service to secure a system which is fit for purpose and ensures value for money for the landlord service.

6.2 The HRA contains over 14000 council dwellings and other commercial properties as well as plant and equipment valued at over £900m. An asset management system is required to manage stock information on various asset types, including dwellings, blocks, garages, plant, and equipment. It is used to record details of the asset, the life of the asset and its components, to record the condition of assets and plan future investment and repairs. Managing and maintaining council housing to a good standard and investing in its longer-term sustainability is integral to the long-term sustainability of the HRA and informs the HRA 30-year business plan.

6.3 The estimated costs of purchasing, implementing the new system and the project team is £0.515m for which budget approval is being sought at recommendation 2.3. This will be added to the HRA capital programme and funded by either HRA reserves, direct revenue funding, borrowing or a combination thereof.

6.4 Funding is already built into the HRA revenue budget for the annual support and maintenance of the current system. These on-going costs are not expected to be significantly higher than the current support and maintenance costs (estimates of a maximum increase of £8,000 per year). Any additional budget requirements

when a new system is implemented will be reviewed and included as part of the annual budget setting process. The benefits of a new integrated asset management system should ensure that any extra costs annual support and maintenance costs will be good value for money for the HRA.

Finance Officer Consulted: Monica Brooks   Date: 03/09/21

Legal Implications:

6.5   The authority of Policy & Resources Committee is required for matters with corporate budgetary implications, such as the award of a contract for a new asset management IT system by the Council where it is proposed to use a proportion of HRA reserves.

6.6   The Council's CSOs require that authority to enter a contract valued at £500,000 or more be obtained from the relevant committee prior to commencing procurement activity and inviting expressions of interest from potential bidders.

6.7   The procurement of contracts through framework agreements must comply with all relevant UK public procurement legislation as well as the Council's CSOs.

Lawyer Consulted: Barbara Hurwood   Date 16-06-2021

Equalities Implications:

6.8   None arising from this report. An Equality Impact Assessment will be carried out to inform specification requirements of a new system.

Sustainability Implications:

6.9   A new asset management IT system would have the following sustainability implications:
- Improved asset information will help the Council plan for and meet the challenges of retrofitting our housing stock to contribute to being carbon neutral by 2030.
- Improved our asset management data and interfacing into other housing systems, assists our strategic planning and provides full active asset management functionality whilst also ensuring effective day-to-day management and maintenance. This will mean that we are more aware of when items are due for maintenance, meaning that where possible they can be maintained/repaired rather than replaced.

Public Health Implications:

6.10   None arising directly from this report.

Crime & Disorder Implications:

6.11   None arising directly from this report.

Risk and Opportunity Management Implications:

6.12   None arising directly from this report.

Corporate / Citywide Implications:

6.13 None arising directly from this report.

SUPPORTING DOCUMENTATION

None