

REQUEST FOR DIRECTOR DECISION – DD1191

Title: Changes to mobility schemes' IT system

Executive Summary:

There are changes required to the IT systems used by the mobility schemes, in part due to proposals in the draft London Housing Strategy for the expansion of Housing Moves and Seaside & Country Homes (SCH), as well as an agreement by the London Housing Mobility Group to pilot the inclusion of Affordable Rent properties in Housing Moves. There is also a pressing need to develop the reporting functionality for SCH, and, in addition, it is possible that the forthcoming two year evaluation of Housing Moves will result in recommendations for some improvements to the system.

Approval is therefore sought to utilise up to £60,000 to make IT changes and enhancements to both schemes in 2014/15. This will involve varying the contract with Specialist Computer Centres Plc (the successful bidder for previous IT work under the call for competition under the Government Procurement Service (GPS) framework agreement (RM720)), to increase the contract value to £167,470.50.

These changes and enhancements will result in savings in GLA staff resources and improved functionality for the Londoners and social landlords using the schemes, including the boroughs that are funding SCH and participating in Housing Moves.

Decision:

That the Executive Director approves, under delegated authority from MD763, a variation of the contract for services with Specialist Computer Centres Plc to increase the contract value by a maximum of £60,000 and a related exemption from the requirements of paragraph 3.6 of the Contracts and Funding Code.

AUTHORISING DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name David Lunts

Position Executive Director, Housing and Land

Signature

Date 28 March 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Housing Moves scheme (www.housingmoves.org) was launched by the GLA in the summer of 2012. Housing Moves is a pan-London housing mobility scheme for social tenants living in London. It facilitates cross-borough moves for council and housing association tenants. Over 5,000 households have registered for the scheme and around 270 have moved since July 2012. 32 boroughs are actively participating. Housing Moves was also the GLA's portal for successfully letting 61 of the 68 social rented homes in the East Village development secured by the Mayor for pan-London lettings.
- 1.2 The Seaside & Country Homes (SCH) scheme was set up in 1968 and has been run by the Mayor since 1 April 2011, when it transferred from the Department for Communities and Local Government (DCLG). Its two key objectives are to give older social housing tenants in London greater opportunities and choice to move to other parts of the country and to free up family-sized social housing in London for households in need. The scheme consists of around 3,200 properties and there are around 200 lettings each year. Since 1 April 2013, there has been a new funding model for SCH, with all boroughs paying for lettings for the first time in the scheme's history. It is therefore now self-funded.
- 1.3 The IT system that supports Housing Moves and SCH comprises a website and back office functionality provided by Home Connections Limited. This system reflects the requirements of the both schemes' policies. It enables households to register for the schemes and (in the case of Housing Moves) bid for properties, and borough users and GLA staff to approve registrations, upload properties (in the case of Housing Moves) and manage the scheme effectively. This system has been used for Housing Moves since its inception and for SCH since 1 April 2013.
- 1.4 In March 2013, funding was approved (through DD1039) for changes and enhancements to the IT system supporting the schemes up to a maximum value of £90,470.50 during 2013/14 and 2014/15. Approval was also given for funding of £17,000 for IT support during 2014/15. £30,470 of the development funding was earmarked for immediate vital changes and enhancements to the Housing Moves website, as well as modules to enable or improve functionality. The remaining £60,000 was for potential further changes, both to accommodate policy changes and new requirements, and to deal with any issues that came to light during the initial implementation period for the new SCH technology.
- 1.5 The issues encountered during the initial implementation phase of the new SCH technology have proved far more extensive than envisaged. This is partly because of the need of the IT system to interact with the new SCH funding model, to ensure that the number of lettings made to any given borough do not exceed the number they have agreed to fund in any given year. Consequently, far more development work than initially anticipated has been required and, as a result, far more of the budget was used during 2013/14, leaving £9,000 of the approved development budget now remaining.
- 1.6 It is now anticipated that an additional *maximum* of £60,000 will be required in 2014/15, for the following purposes:
 - to enable the potential implementation of policy changes outlined in the draft London Housing Strategy published in November 2013, relating to a top slice of new build affordable rented homes being made available on a pan-London basis and the expansion of Housing Moves and SCH
 - to enable the delivery of a pilot project for Housing Moves, whereby not only social rent but also Affordable Rent properties are advertised through the scheme. This pilot was agreed by the London Housing Mobility Group, chaired by the Deputy Mayor for Housing, Land and Property

- to develop the reporting functionality for SCH (which was not included in the original work or costs for transferring SCH into the Home Connections system) and improve the reporting functionality for Housing Moves
 - to deal with any unforeseen issues, changes or enhancements, including those that may result from the two year evaluation of Housing Moves that is planned for the summer of 2014.
- 1.7 It is important in terms of our relationship with our key partners that the GLA be able to respond quickly and efficiently to the need to improve or enhance the system. Boroughs are now paying for SCH and their expectations are high, and if the IT fails to deliver what is required they are unlikely to fund the scheme in the future. In addition, the success of Housing Moves relies heavily on the goodwill of the boroughs. Again, any deficiencies with the IT system could jeopardise this and result in boroughs pulling out.
- 1.8 In addition, having the ability to make any necessary changes and enhancements in a timely way results in savings in GLA staff resources. This is essential at a time when the team delivering the service has reduced in size, from five to four FTEs.
- 1.9 A call for Competition was launched under the Government Procurement Service (Framework Rm720 Sprint ii) <http://gps.cabinetoffice.gov.uk/contracts/rm720>. The Framework, which was let via an OJEU advertised procurement process, covers Hardware, Software, Infrastructure and Services. The Services element specifically provides for central or remote ICT provision as well as on site managed or remote hosting of web accessed services, including the development and maintenance of web accessed services including their development and maintenance. This Framework is a single supplier Framework with SCC, and SCC utilise sub-contractors to undertake the required services.
- 1.10 An exemption from section 3.6 of the GLA Contracts and Funding Code is sought on the grounds of compatibility with an existing service. A contract extension will ensure continuity of service, which is essential as these are public-facing services for Londoners, some IT changes to be undertaken will deliver Mayoral policies, and also some changes result in greater efficiencies. In addition, SCC has an established relationship with the sub-contractors undertaking the required services to ensure that this happens. Value for money has already been demonstrated, by SCC being selected onto the above Framework, and there are detailed negotiations between the GLA and the sub-contractor over the most cost-effective mechanisms for delivery when new work is specified.

1. Issues for consideration

a) Links to strategies and Mayoral and corporate priorities

The Mayor's draft London Housing Strategy published in November 2013 contains the following relevant policies:

P27 For Affordable Rented homes funded through GLA programmes, five to ten per cent will be let on a pan-London basis, and ten per cent will be retained for nominations by the registered provider. This will replace the current system of sub-regional nominations.

P28 The Mayor will explore the expansion of the Housing Moves and Seaside & Country Homes schemes for under-occupiers and those in employment.

- ♦ The GLA's Housing and Land Directorate's draft business plan 2012-15 contains the following objective: 'developing and managing initiatives to support mobility among social tenants, including the new Housing Moves pan-London mobility scheme', to be supported by the following delivery approaches:
 - *Deliver Housing Moves, the Mayor's pan-London mobility scheme (including the East Village pan-London lettings), and Seaside & Country Homes, the Mayor's out-of-London scheme for older social tenants. This includes contract management, marketing and promotion and dealing with landlords and, in the case of Seaside & Country Homes and the East Village, tenants.*
 - *Commission evaluations of the Housing Moves pan-London scheme.*

- *Implement enhancements to Housing Moves.*
- *Deliver potential expansions to out of London mobility schemes, such as Seaside & Country Homes.*
- *Deliver a single mobility offer for Londoners.*

b) Impact assessments and consultation

The draft London Housing Strategy has been subject to a full integrated impact assessment and statutory consultation, with functional bodies and the Assembly, and the public.

The Housing Moves policy framework was subject to an equalities impact assessment.

c) Risk

Not going ahead with IT development will mean the Housing Mobility Team having to undertake a number of time-consuming processes manually. Automating processes saves significant staff time, which is crucial at a time when the team has been cut from five to four FTEs.

There is a risk that if IT necessary changes that arise are not made, boroughs will cease to fund SCH or will stop participating in Housing Moves. There is also a reputational risk to the Mayor if the service fails.

3. Financial comments

- 3.1 The £60,000 funding for this expenditure will come from underspend in the Housing Moves budget in 2013/14, to be requested for carry forward into 2014/15 or from a reserve created from this same underspend. This budget is held within the Commissioning and Retrofit Team in the Housing and Land Directorate.
- 3.2 In the case that a carry forward request is not approved and a reserve is not created, this spend will need to be covered from the existing 2014/15 budgets for Housing Moves and Seaside and Country Homes.
- 3.3 All budget adjustments will be made.
- 3.4 MD763 authorises a Director's decision to approve payments in relation to this service beyond the Scheme of Delegation limit of £125,000.

4. Legal comments

Power to Undertake the Requested Decisions

- 4.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act'), the GLA is entitled to do anything that it considers will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 4.2 Furthermore, section 34 of the Act allows the GLA to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In the instant case, the director has been asked to approve a £60,000 variation of the GLA's contract with Specialist Computer Centres Plc (SCC) for the purposes of automating elements of the process of running the pan-London housing mobility scheme. To this end, the approval of the variation may be viewed as incidental to the promotion of social development in Greater London.

Exemption from the Requirements of the Contracts and Funding Code

- 4.3 The GLA's contract with SCC is valued at £107,000. The variation of £60,000 will take the overall value of the contract to £167,000. Section 3.6 of the GLA's Contracts and Funding Code (the "Code") requires that the GLA undertake an OJEU advertised tender or call off the services from an accessible framework, where the value of the contract exceeds £125,000. As set out in paragraph 1.10 above, the GLA's existing contract with SCC was called off from the GPS's framework

agreement RM720, which framework was let via an OJEU advertised process. At paragraph 1.11 above, the officers have set out at the justification for the variation of the contract to include a further £60,000 worth of services without further competition. In light of this, the director may approve the exemption, if he be so minded.

- 4.4 The officers must ensure that they liaise with TfL's commercial team to ensure that the variation of the contract be correctly documented in accordance with the requirements of the contract.

5. Investment and Performance Board

In July 2011, the Investment & Performance Board (IPB) approved procurement of the Housing Moves scheme, up to a maximum of £130,000.

6. Background/supporting papers

Appendix 1 DD1039 – changes to mobility schemes

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Information on this decision will be included in the Mayor's report and decision list. The form will be available publically from then. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? No

If yes, for what reason:

Until what date:

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Tick indicates
approval (✓)

Drafting officer:

Debra Levison has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision:

✓

Assistant Director/Head of Service:

Jamie Ratcliff has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Advice:

The Finance, Legal and Procurement teams have commented on this proposal.

✓

Executive Director, Resources

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

Signature

Date