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<b>SUBJECT:</b>	<i>HOUSING OPTIONS AND ALLOCATIONS – LOCATA SOFTWARE</i>
<b>REPORT OF:</b>	<i>Councillor Trevor Egleton</i>
<b>RESPONSIBLE OFFICER</b>	<i>Head of Healthy Communities</i>
<b>REPORT AUTHOR</b>	<i>Michael Veryard – Housing Manager</i>
<b>WARD/S AFFECTED</b>	<i>All</i>

### 1. Purpose of Report

To

- (i) update Members on the procurement of software to secure the continuation of the Bucks Home Choice system beyond the end of the current agreement with Locata in January 2016 and
- (ii) report to Cabinet that an exemption to the Council's Contract Procedures Rules has been granted by Management Team

### RECOMMENDATION

That Cabinet note:

- (i) the position regarding the procurement of software to secure the continuation of the Bucks Home Choice system and
- (ii) that Management Team have agreed an exemption to the Council's Contract Procedures Rules.

### 2. Executive Summary

Currently South Bucks, Aylesbury Vale, Chiltern and Wycombe District Councils have a Framework Agreement in place with Locata (Housing Services) Limited to provide the web-based IT to support the delivery of the Housing Options and Homelessness service (including the Bucks Home Choice scheme). This Agreement expires on 19<sup>th</sup> January 2016 and the Councils are working with Locata to look at procuring the continuation of the IT systems via the Government's G-Cloud 6 Framework. Management Team has agreed an exemption to the Council's own Contract Procedure Rules.

### 3. Reasons for Recommendations

To notify Cabinet that an exemption to the Council's Contract Procedure Rules has been granted by Management (in accordance with the requirements of the Contract Procedure Rules)

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#### 4. Content of Report

- 4.1 In 2006, AVDC (Aylesbury Vale District Council), CDC (Chiltern District Council), SBDC (South Bucks District Council) and WDC (Wycombe District Council) commenced work to jointly introduce a CBL (Choice Based Lettings) system to manage the allocation of social housing in each district. This would replace the housing waiting list/housing register systems that were in operation at the time. Under the housing waiting list/housing register system in place at that time, a person would apply to the Council for re-housing and be placed on a register of people seeking accommodation. These applicants would be prioritised based on the Council's allocations policy and would wait to be offered accommodation if they had sufficient priority.
- 4.2 Under CBL, applicants apply to register with the scheme. All available properties are advertised on a regular basis. Applicants can "bid" for properties in which they are interested. Interested applicants are then shortlisted in priority order and the highest priority applicant is offered the property.
- 4.3 The four districts established a Bucks CBL Partnership and undertook a Competitive Dialogue process to appoint a supplier to develop and manage a sub-regional Choice Based Lettings IT system for the four districts. The outcome of this process was that the partnership appointed Locata (Housing Services) Limited to develop and manage the system. The Bucks Home Choice system developed and managed by Locata is a web-based system that manages the process for receiving and registering housing applications and for advertising and allocating social housing tenancies.
- 4.4 Locata (Housing Services) Limited entered into a Framework Agreement with AVDC, CDC, SBDC and WDC on 19<sup>th</sup> January 2009 for Development Services and Managed Host Services for a choice based lettings scheme for the Bucks Home Choice partnership. The Framework Agreement was for an initial period of 5 years ending at midnight on 19<sup>th</sup> January 2014. The annual cost is shared between the four Councils with each Council being invoiced separately by Locata (Housing Services) Ltd.
- 4.5 The Framework Agreement included a provision that allowed the Councils to extend the Agreement for a period not exceeding two years. The Councils reviewed the position during 2013/14 and agreed to an extension in accordance with the provision. Consequently, the Framework Agreement was extended to 19<sup>th</sup> January 2016.
- 4.6 The Framework Agreement does not make provision for any further extension to the period of the Agreement. Consequently, the Councils need to make arrangements to ensure that an IT system is in place to support the continued delivery of the Bucks Home Choice scheme beyond 19<sup>th</sup> January 2016.
- 4.7 Locata (Housing Services) Ltd is now a supplier to the Government's G-Cloud 6 digital marketplace portal. G-Cloud 6 is a fully EU compliant procurement framework that provides access to a range of cloud software and services for providing government digital services. The framework is an agreement between the government and suppliers of these services. In effect, this means that the Government has done the work to secure the best deal for public organisations. Consequently, Councils who are

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acquiring services via the G-Cloud 6 do not need to go through OJEU (Official Journal of the European Union), Invitation to Tender, Request for Price, Request for Quote or Request for Information.

4.8 AVDC, CDC, SBDC and WDC have been reviewing the options for the continued delivery of the Bucks Home Choice scheme beyond 19<sup>th</sup> January 2016. This has included the option of continuing to utilise the system delivered by Locata under the current Framework Agreement.

## 5. Consultation

Not applicable

## 6. Options

### **Option 1 – Negotiate with Locata to continue to deliver the existing Bucks Home Choice IT System after the current Framework Agreement expires**

6.1 The Bucks Home Choice Management Board and Practitioners Group (comprising representatives from AVDC, CDC, SBDC and WDC) has expressed the view that it wishes to continue to utilise the Bucks Home Choice system delivered and managed by Locata (Housing Services) Ltd after the current Framework Agreement comes to an end.

6.2 The identified benefits of continuing to utilise the Locata (Housing Services) Ltd system beyond 18<sup>th</sup> January 2016 include the following:

- (i) The BHC system is fully established and familiar to both applicants and officers. It has operated effectively since it was introduced in 2009 and with minimal downtime.
- (ii) The BHC system has delivered significant efficiency savings. There has been a significant reduction in hard copy applications with over 95% of applications now being made on-line. This reduces the time spent by officers on administering applications and provides a more accessible service for applicants. The use of document scanning means that all records and documents are now held electronically and accessible to all officers (as well as supporting business continuity planning by reducing the risk of hard copy files being lost or destroyed). Automatic shortlisting for vacancies also helps to save officer time.
- (iii) Locata (Housing Services) Ltd has continued to work effectively with the BHC Partnership to introduce changes and improvements to the system. This has included developing a significantly enhanced website to provide tailored housing options advice for applicants and working positively with the partnership to support the introduction of the revised BHC allocations policy in 2014. If the Councils were to procure an alternative system then all of the benefits built up from existing partnership working with Locata (Housing Services) Ltd will be lost and there can be no certainty that an alternative supplier will be as supportive or innovative.

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- (iv) The BHC system has demonstrated that it is sufficiently flexible to be able to accommodate different approaches between the districts within the joint system. A clear example of this was the introduction of the revised Bucks Home Choice Allocations Policy in May 2014 which introduced significant changes including much tighter local connection criteria for each District. Locata (Housing Services) Ltd worked effectively with the partnership to ensure that the BHC system was adjusted as necessary to ensure a smooth transition to operating the revised policy.
  - (v) Since the introduction of BHC, the four district councils have also procured the Locata Homelessness Prevention and Advice module to manage casework for the delivery of the homelessness and advice services. This module directly links to the BHC system and ensures that all four Councils can deliver an efficient and streamlined housing service with all client records held in a single location. It significantly improves service delivery by ensuring that any officer receiving a client enquiry can see all relevant client records (i.e. Bucks Home Choice records and housing options/homelessness cases records). If the Councils cease to utilise the current BHC system then the effectiveness of the Homelessness Prevention and Advice module will be significantly diminished.
  - (vi) Managing the Council Allocations and Housing Options service via an external web-based system supports the Business Continuity Plan. In the event of significant problems with the Council's own IT system, it will still be possible for the Council to deliver the Allocations and Housing Options service via the BHC system.
  - (vii) At the time of the original procurement in 2009, Locata (Housing Services) Ltd represented the best value to the District Councils for the delivery and management of a CBL system. Since that time, the number of software providers who are offering and operating CBL systems has remained limited. Most Councils seeking to introduce CBL have now done so, consequently, there have been no significant changes in the wider market for this type of product. Overall, there is nothing to indicate that the Council would achieve any significant savings by switching to another software provider at the end of the Framework Agreement.
  - (viii) Switching to another software provider at the end of the Framework Agreement would involve significant work for officers in securing that all current information is transferred to the new system and in advising and supporting client through the change. As CBL is a public facing system and support the Council's statutory housing functions, there will be no scope to close down the system for any length of time during the transition to a new system. This will require significant work to manage the transition effectively and avoid significant disruption to the Council service and clients. Consequently, there are likely to be significant resource implications for cost and staff time if the Council seeks to switch to an alternative provider.

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- (ix) Locata (Housing Services) Ltd is now a supplier to the Government's G-Cloud 6 digital marketplace portal and this will allow the Councils to directly liaise with Locata to confirm the requirements and final pricing for the delivery of the Bucks Home Choice scheme after 18<sup>th</sup> January 2016. It will not be required to go through a tender exercise subject to the Council agreeing an exemption to its Contract Procedure Rules.
  - (x) Any agreement to acquire the system via the Government's G-Cloud 6 would be a contract period of no longer than 24 months and would include the option of entering into a contract for one year with an option to take up a second year. This would have the advantage of securing the continuation of the service in the short term while providing the opportunity for the Councils to consider changes in the longer term to the delivery of the operation of the housing register and allocations in response to the impact of recently announced Government policy changes.

### **Option 2 – Review other suppliers and options for the delivery of software to support housing options allocations**

- 6.3 The Council could undertake a full review of other options and invite other suppliers to put forward IT models to support for the delivery of the Housing Options and Allocations scheme. While this presents the opportunity that another supplier may be able to deliver a model for a lower annual cost, any potential savings would almost certainly be exceeded by the costs involved in the development of a new IT model to replace the Locata system and the time involved for officers to manage the transition to a new system (including transferring all records) and maintain service delivery. As stated above, the time of the original procurement in 2009, Locata (Housing Services) Ltd represented the best value to the District Councils for the delivery and management of a CBL system and there are no indications that the marketplace and suppliers have changed significantly since that time. In addition, appointing Locata (Housing Services) Ltd for a maximum period of two years only means that there will be an opportunity in the near future to undertake a further review of systems and costs.
- 6.4 Investigating other suppliers may present opportunities to find new ideas and innovations in delivering IT services to support housing options and allocations services. However, the experience of officers is that there is little evidence in other authorities of significant or different innovations compared to those delivered by the current Bucks Home Choice system.
- 6.5 The existing Framework Agreement with Locata (Housing Services) Ltd comes to an end on 19<sup>th</sup> January 2016 and this does not allow sufficient time to undertake a full tender exercise to appoint a new supplier.

### **Option 3 – Do Nothing**

- 6.6 The Council's Housing Options and Allocations service requires an effective database and IT system to support case management, applicant registration, advertising of vacancies and allocations. If the current Framework Agreement with

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Locata (Housing Services) Ltd was to end on 19<sup>th</sup> January 2016 with no continuation or replacement system, then officers would be unable to deliver the service and the Council would face the prospect of breaching its statutory housing duties with consequent legal challenges.

## 7. Corporate Implications

### 7.1 Financial

The current annual cost to South Bucks District Council of the services provided by Locata (Housing Services) Ltd is broken down as follows:

Item	Cost per authority per annum
<b>Locata Membership (Bucks Home Choice)</b>	<b>£8,000.00</b>
<b>HPA (Homelessness Prevention and Advice) Support</b>	<b>£3,000.00*</b>
<b>Targeted Housing Options / Pre-assessment / Review Module Support</b>	<b>£625.00</b>
<b>Address Clicks Monitoring</b>	<b>£84.20</b>
<b>New Member Packs</b>	<b>£0.55 per pack</b>

The current costs and services will form the basis of discussions with Locata (Housing Services) Ltd on the terms of the new agreement.

### 7.2 Legal

As stated in paragraph 4.7 above, Councils who are acquiring services via the G-Cloud 6 do not need to go through OJEU (Official Journal of the European Union), Invitation to Tender, Request for Price, Request for Quote or Request for Information. The joint Contract Procedure Rules for Chiltern District Council and South Bucks District Council require a minimum of two written quotations for contracts of £5,000 to £20,000, RFQ (Request for Quote) for contracts of £20,001 to £50,000 and competitive Tenders to be sought for contracts estimated to cost between £50,000 and the EU limits. However, paragraphs 15 to 18 of the Contract Procedure Rules allows Management Team to approve an exemption from one or more elements of these rules if there are valid reasons (including urgency and no genuine competition) and to report to the next Cabinet meeting. Management Team has agreed an exemption under paragraphs 15 to 18 of the Contract Procedure Rules, from the requirement to obtain competitive tenders, so that SBDC (in partnership with AVDC, CDC and WDC) can negotiate directly with Locata (Housing Services) Ltd to enter into an Agreement to deliver the Bucks Home Choice IT system for a maximum period of two years from 20<sup>th</sup> January 2016. The background information set down in

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the Options Section above (Section 6) sets down the reasons for approving an exemption to the Contract Procedure Rules in this case

**8. Links to Council Policy Objectives**

Delivering Cost Effective Customer Focussed Services

Working towards safe and healthier local communities

**9. Next Step**

The four District Councils will liaise with Locata (Housing Services) Ltd to agree the services to be provided in a new Framework Agreement from 20<sup>th</sup> January 2016 and a final price for the delivery of this Agreement. The final pricing will be reported to Management Team.

<b>Background</b>	None
<b>Papers:</b>	