

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11th April 2023

CLlr Mike Hallam - Cabinet Member for HR & Corporate Services

Report Title	Approval needed for sign-off on new contract for our existing housing management system – Capita OpenHousing
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List of Approvers

Monitoring Officer	Catherine Whitehead	22/03/2023
Chief Finance Officer (S.151)	Matin Henry	28/03/2023
Other Director	Sarah Reed	22/03/2023
Communications Lead/Head of Communications	Becky Hutson	15/03/2023

List of Appendices

None

1. Purpose of Report

- 1.1 To seek approval to enter into a new multi-year contract with Capita for the continued use of the OpenHousing housing management system.

2. Executive Summary

- 2.1 OpenHousing by Capita is the primary system used for managing housing stock in Northampton by the Council and its arm's length management organisation (ALMO) Northamptonshire

Partnership Homes (NPH). The system allows our staff to manage maintenance and repairs, allocations, waiting lists and other aspects of housing. The system was purchased by Northampton Borough Council in 2006 and ownership was subsequently transferred to West Northamptonshire Council (WNC) on April 1st, 2021.

- 2.2 Due to the system reaching end-of-life in April 2026 the Council will need to replace it, and a project will begin imminently to undertake the identification, procurement and implementation of a new system. This will be a major system implementation project with significant business impacts and is therefore expected to take around two years to complete. It is in the Council's best interests to ensure the above process is as thorough as possible and we are fully confident in our new product.
- 2.3 We are therefore entering into a contract on a short-term basis to maintain utilising the KCS framework which enables us to use the providers on the framework including Capita. This will enable continuity of service whilst the project to deliver a replacement system is undertaken. This offer includes 3 years (starting April 2023) with the option to extend for an additional year if required by the council. This will give our project teams time to assess requirements and user needs, identify, procure and implement a new system over the intervening period.

3. Recommendations

- 3.1 It is recommended that Cabinet:
 - 3.1.1 Authorise the Chief Information Officer to award a contract to Capita for the use of the OpenHousing housing management system, via the KCS framework (Y20023), for three years with the option of extension for a single year.

4. Reason for Recommendations

- 4.1 To ensure continuity of service to the delivery of the Council's housing service
- 4.2 To enable the Council to conduct a comprehensive contracting process for a replacement system within the life of the proposed contract.

5. Report Background

- 5.1 In 2006, Northampton Borough Council (NBC) purchased the OpenHousing housing management system from IBS OPENSsystems (then acquired by Capita in 2008/09). This system was bought to assist housing teams within the council to manage their housing stock. It is a tool that allows the Council and its partner NPH to successfully manage allocations and lettings, repairs, and maintenance of properties among other housing functions.
- 5.2 In 2013/14 as part of a strategic business decision, Northampton Partnership Homes (NPH) was established as an arm's-length management organisation for housing stock under NBC. As NPH took on responsibility for managing housing stock an attempt was made to novate the contract to NPH as they had the largest user base. However due to the cost quoted by Capita to do this being unacceptably high, the decision was taken not to proceed.

- 5.3 The contract for the OpenHousing system held by NBC therefore remained under the ownership of NBC until April 1st 2021. As with any contracts held by previous district and borough Councils, the agreement transferred to West Northamptonshire Council on vesting day.
- 5.4 The Council needs to provide continuity of service for the housing function and is therefore proposing to enter into a new contract with Capita for OpenHousing through the KCS framework Y20023, for a period of three years whilst a replacement is procured and implemented.
- 5.5 Approval is sought from Cabinet to enter into the new contract due to the value of the contract.

6. Issues and Choices

- 6.1 The requirement to maintain service and have a system in place has resulted in very limited options available to the Council.
- 6.2 **Option 1: Enter into a new contract with Capita for the existing system (recommended)**
 - 6.2.1 This option is to accept Capita's new contract offer for an initial period up to April 2026, with an option to extend by a year if needed whilst a new system is in place which staff and colleagues at Northamptonshire Partnership Homes can adopt and use for continued housing stock management. This contract will be directly awarded through the KCS framework.
 - 6.2.2 This option ensures continuity of service.
- 6.3 **Option 2: End the contract with Capita or extend it for a shorter period and immediately procure an alternative system**
 - 6.3.1 This option will mean that the Council is unable to deliver its core statutory functions. Capita has made it clear that it will not agree to a shorter contract. This means that the Council has no option at this stage but to accept the terms and conditions available which requires to enter into a contract with Capita.

7. Implications (including financial implications)

- 7.1 **Resources and Financial**
 - 7.1.1 The annual cost of the new contract is £270k, an uplift on the current annual charge of around £40k. There will also be one-off implementation costs of £59k.
 - 7.1.2 The contract will be managed within the council's Digital, Technology & Innovation division, with the costs recharged through the Housing Revenue Account (HRA). The one-off implementation costs will be funded through the HRA Service Improvement Reserve.
- 7.2 **Legal**

7.2.1 The Council must enter into a contract or the contractor will withdraw the service. There is a framework available, however the framework does not allow the contractor to dictate the terms including the length of the contract. The Council is unable to reject Capita's conditions because of the dependence on the system for continuity of service. The Council has no alternative but to accept the contract terms demanded by Capita. The proposed solution will however enable the Council to consider procurement of an alternative system or specify the contract terms in future.

7.3 Risk

7.3.1 The main risk associated with this proposal is impact to the service if the contract for the existing management system is not renewed. There are governance and legal issues associated with the procurement of the new contract and the term of the contract but the risk is considered to be low.

7.4 Consultation and Communication

7.4.1 No statutory consultation is required and there are no communications implications relating to this report.

7.5 Consideration by Overview and Scrutiny

7.5.1 Overview and Scrutiny have not considered this issue.

7.6 Climate Impact

7.6.1 Not applicable.

7.7 Community Impact

7.7.1 The renewal of our contract with Capita for the OpenHousing suite of products will allow the Council and Northamptonshire Partnership Homes to continue serving tenants effectively, assisted by what is an established system that has been in place for the past 16 years.

8. Background Papers

8.1 None