

EAST RENFREWSHIRE COUNCILCABINET22nd February 2024Report by Director of EnvironmentNEC HOUSING – PROPOSED VARIATION OF CONTRACT**PURPOSE OF REPORT**

1. The purpose of this report is to seek Cabinet approval to apply a variation to the replacement Housing Services IT contract with NEC Software Solutions UK Limited. The variation is required to extend supplier project management time to complete the project.

RECOMMENDATIONS

2. It is recommended that the Cabinet, in accordance with the Contract Standing Order 14:
- a) Approve an immediate variation of £76,371 to be applied to the existing Housing Services IT contract with NEC Software Solutions UK Limited; and
 - b) Delegate to the Chief Officer (Legal and Procurement) and the Chief Procurement Officer authority to submit the necessary notice for publication in the UK e- notification service under Regulation 72 (3) of the Public Contracts (Scotland) Act 2015.

BACKGROUND

3. In 2019 East Renfrewshire Council awarded a contract to NEC Software Solutions UK Limited (NEC) to replace the existing system OHMS (Open Housing Management System) with NEC Housing. NEC Housing is an improved system that supports all key service areas such as allocations, homelessness, estate management and repair requests. It has the capacity to substantially transform the way services are delivered.
4. Phase 1 of the project was completed in April 2023 when the NEC Housing system was launched. The new system provides a fully digital and efficient housing application and enhanced digital processes for rent collection, repairs and estate management.
5. Phase 2 of the project started in September 2023 and is due to be completed in March 2024. Phase 3 of the project is due to start in February 2024 and be complete by the end of September 2024.
6. The contract was initially awarded for £565,740. This included capital and revenue costs for a seven-year period.
7. A cabinet paper for a variation to be applied to the existing Housing Services IT contract with NEC Software Solutions UK Limited was approved in September 2022. The approved contract value was raised to £626,940.

REPORT

8. Given the complexity of the project it was split into phases. The first phase of the project targeted the replacement of existing functionalities and was complete in April 2023. The future phases of the project are based on improving digital access for both Housing Officers and customers. This will be delivered via two phases:

Phase 2

- The use of hand-held digital devices which permit officers the ability to access the housing system in people's homes and reduce their need to be office based. It also means tenants can be given information straight away without having to wait; and
- The ability for customers to "self-serve" i.e., to access their housing applications and rent accounts at any time and not just within office hours.

Phase 3

- Additional "self-serve" functionality allowing customers to raise repairs and view repairs history; and
- Additional functionality to allow case and lease management for private sector properties, capital works planning and improved efficiency through automated system workflow.

9. The implementation of the second and third phase were expected to take 6 months when the original contract was agreed. Internal resource constraints within Housing Services mean that these phases will take longer. The third and final phase is expected to be complete by the end of September 2024.

10. The total additional accumulated costs for project management and out of hours support required from the IT provider to complete the project is £76,371.

11. Contract Standing Orders apply in this situation as the amount of the variations required totals £76,371 and is greater than 10% of the original contract value.

12. The relevant section of Contract Standing Order is paragraph 14 and reads

Any desired variation in excess of the 10% or 15% limits must be referred to the Chief Officer – Legal and Procurement for consideration of its legal implications. If sanctioned by the Chief Officer Legal and Procurement the proposed variation must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

FINANCE AND EFFICIENCY

13. The total cost of the variation required is £76,371.

14. Cabinet are asked to note that the capital costs associated with this development work will be met by Housing Service's HRA capital funding. Thereafter ongoing revenue costs are to be provided by Housing Services and managed as part of ICT's contract management arrangements.

CONSULTATION

15. Legal Services and Procurement were consulted on the use of Contract Standing Order 14. The Chief Officer for Legal & Procurement has sanctioned this contractual variation.

PARTNERSHIP WORKING

16. This project is governed by the Housing Redesign Project Board, which includes representatives from ICT, Housing, Procurement and NEC. In turn this is governed by the Corporate Business Systems and Processes Board.

IMPLICATIONS OF THE PROPOSALS

17. There are no staffing, property, legal, State Aid, equalities or sustainability implications of this proposal.

18. There are ICT implications related to data protection which ICT colleagues are aware of. These implications require the completion of a Data Protection Impact Assessment by the Housing Service with input from ICT. This issue has been the subject of scrutiny by both Housing staff and ICT colleagues to ensure compliance.

CONCLUSIONS

19. The implementation of NEC Housing is an exciting programme of change within Housing Services that aims to improve and increase our digital capabilities with our tenants to enhance the customer journey for those accessing our services. The requested variation is essential to deliver the full functionality of the system and derive full benefits from the technology.

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Director of Environment

Further details can be obtained from Phil Daws Head of Housing, Property & Climate Change on 0141 577 3186.

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