

REPORT OF
The Strategic Director for People
TO
Procurement Board
ON
28 July 2021

TITLE: Approval to Award the Contract for Purchase of a Choice Based Lettings Management System and on-going Homelessness Prevention and Advice System

RECOMMENDATION:

That Procurement Board approve the award of the Contract for a Choice Based Lettings Management System and on-going Homelessness Prevention and Advice System as detailed in the table below:

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Choice Based Lettings Management System and on-going Homelessness Prevention and Advice System
Name of Successful Contractor	Locata Housing Services (Limited)
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	04419315
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Company limited by guarantee without share capital
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	SME
Contract Value	£99,400 Full Project
Contract Duration	24 months
Contract Start Date	15/11/2021
Contract End Date	14/11/2023
Optional Extension Period 1	12 months

Optional Extension Period 2	12 months	
Who will approve each Extension Period?	Strategic Director (extension < £150k)	
Contact Officer (Name & number)	Jane Anderson, 0161 793 2078	
Lead Service Group	People Services	
How the contract was procured? (to be supplied by procurement)	Direct Award	
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	Crown Commercial Services G-Cloud 12 Framework	
Funding Source	Choose an item.	
Ethical Contractor	Mayor's Employment Charter Committed to sign up to charter	<input type="checkbox"/> <input type="checkbox"/>
	Accredited Living Wage Employer	<input type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above mentioned contract.

BACKGROUND DOCUMENTS:

None

KEY DECISION:

No

DETAILS:

1. Background

Homelessness

In April 2018 the Homelessness Reduction Act was implemented placing new duties on local authorities to prevent and relieve homelessness. Local authorities are required to report quarterly on their homelessness activity to the Ministry of Housing, Communities and Local Government (MHCLG), previously known as the P1E. With the new legislation came new reporting requirements to include the additional duties

placed on local authorities, now known as H-CLIC, requiring an updated case management system.

Greater Manchester Combined Authority (GMCA), was successful in securing new burdens funding on behalf of all ten Greater Manchester authorities and procured, on their behalf, a new case management system from Locata, HPA2, with each authority having its own system.

The contract was for two years with an optional two year (one year plus one year), extension. The contract is currently in the second of the optional one year extensions.

Choice Based Lettings

The advertising and allocation of social housing in Salford is managed through a choice based lettings (CBL), system, currently an in-house web-based system, Salford Home Search, managed by the Housing Options Service on behalf of the registered providers operating in the city.

The current system is entirely separate from the HPA2 homelessness case management system and therefore when a homelessness case is opened on the HPA2 system and the applicant requires assistance with securing social housing, a separate application has to be registered on Salford Home Search resulting in time consuming duplication.

Salford Home Search does not provide the flexibility the landlords would prefer, for example, in relation to the bid cycle – the length of time a property is advertised for and when the advert can be placed – which can adversely affect their rental income.

The reporting function for Salford Home Search is through Business Objects. This is proving increasingly problematic as there is a reliance on IT to run any non-standard reports, the accuracy of which are often called into question.

The purchase of the Locata CBL module will be a 'bolt on' to the existing HPA2 system. It will be possible to pull information from one system to another thereby ending the need for duplicate inputting. It allows for some functions to be automated that on the existing system have to be done manually, for example, assisted bidding where bids are placed on behalf of the applicant

The CBL module allows increased flexibility, in particular in relation to the bid cycle, making the system more attractive to registered providers.

The reporting function is more advanced and does not require any input from IT Services.

By joining the two contracts into one, this will allow for better financial management by aligning the costs.

The Procurement Process

In early 2018, GMCA acting on behalf of the 10 local authorities, undertook the procurement exercise to put in place a contract for the provision of an ICT system to support in introduction of the new Homelessness reduction Act (HRA).

G-Cloud9 Framework was selected as the preferred route to market. Using the statement of requirements, the prescribed framework process was followed on the Government Digital Marketplace.

After the application of filters three suppliers were shortlisted. Of these - only Locata met all the essential key requirements. In addition, Locata offered the lowest cost solution (price cards are published on the digital marketplace), demonstrating the best value (MEAT) requirements of making a direct award via the Framework.

Locata provided a detailed written response to the Statement of Requirements confirming how they satisfactorily meet each element of the specification.

Since that time it has become apparent that the current in-house choice based lettings ICT system is not fit for purpose, and the Council received a proposal from Locata to implement a separate module of the HRA system which would provide the functionality required for CBL.

Using a new statement of requirements, a search was done on the Digital marketplace, and Locata is the only system that met the range of requirements.

As the current GCloud 9 contract is in its final year, both Locata and The Council have agreed that it would be best to end the current contract and re-contract via G-Cloud 12 for both modules on a new 4 year (2+2) agreement.

Social Value

Please see separate statement provided by Locata.

KEY COUNCIL POLICIES:

Local authorities are required by law under the Housing Act 1996, part 6, to have an Allocations Policy that sets out how priorities are determined and how social housing in the area is allocated. The CBL system is the mechanism used to implement the policy.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The Locata CBL system does not require an EIA as the Allocations Policy has a completed EIA.

ASSESSMENT OF RISK:

The current system is inefficient, outdated and unsupported. If the contract is not awarded, staff resources will continue to be wasted through the duplication of work and the completion of manual tasks that could be automated.

Landlords will continue to lose rental income due to the lack of flexibility imposed by a prescribed bidding cycle as opposed to being able to advertise properties as soon as notice is given by the tenant.

Award of the contract will enable greater financial control.

SOURCE OF FUNDING:

Revenue – Homelessness Prevention Grant uplift awarded by MHCLG.

LEGAL IMPLICATIONS: Supplied by: Tony Hatton, The Shared Legal Service

When commissioning contracts for the procurement of goods, services, or the execution of works, the Council must comply with the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's state that a framework arrangement should be used unless there is an auditable reason not to do so. The proposed award of the contract follows a direct award to Locata in accordance with the G-Cloud9 Framework.

The purpose of a framework agreement is to select through a procurement/evaluation process a number of providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council will undertake an exercise to call off the services from one or more of the providers who have been selected to be on the framework and this may be through any number of ways e.g. mini-competition, direct allocation etc. depending on the circumstances. A contract will then be formed between the Council and the chosen provider/s

The Council will need to have followed the procedure set out in the framework agreement for direct award to ensure the procurement process is compliant for the proposed award of the contract to Locata. The procurement procedures therefore appear robust and compliant with the requirements of the Council's CSO's and PCR.

FINANCIAL IMPLICATIONS: Submitted by: Gemma Singleton, Finance Officer

CBL Locata module will replace Salford Home Search (but retaining the name), the landlords will still be required to pay to be a partner so we will continue to receive income.

£49,700 (for 12 months) will come from the funds in the Prevention Fund H8016, allocated to Locata. The proposal is to combine the existing Locata HPA2 contract with the new CBL contract so the charge for the existing contract and the on-going charges for CBL have been included as well.

PROCUREMENT IMPLICATIONS: Supplied by: Emma Heyes, Category Manager

G-Cloud 12 is a framework put in place by Crown Commercial Services via a tendering process compliant with Procurement Regs.

The method of award is direct award only, by using the filtering criteria laid down in the guidance.

The selection of Locata was made based on the system matching the service requirements.

The G-Cloud 12 Call-Off form will require completion to form the contract between the Council and Locata.

HR IMPLICATIONS: Supplied by:

N/A

CLIMATE CHANGE IMPLICATIONS: Supplied by: Michael Hemingway

Following consultation with Michael Hemingway, no climate change implications have been identified at this stage.

OTHER DIRECTORATES CONSULTED:

None

CONTACT OFFICER: Jane Anderson
TELEPHONE NUMBER: 0161 793 2078

WARD(S) TO WHICH REPORT RELATE(S):

N/A
