REPORT TITLE: Homes & Neighbourhoods Housing Management IT System Replacement

Executive Board	04 March 2024
Cabinet	12 March 2024
Cabinet Member	Cllr Moses Crook Housing & Highways
Key Decision **Eligible for Call In**	Yes

Purpose of Report

To appraise the Cabinet of the issues encountered during the implementation of the new Housing Management IT System in Homes and Neighbourhoods, setting out the proposed way forward and the additional resources and budget required to successfully deliver the project.

Recommendations

It is recommended to continue with the implementation of Civica Cx and to extend the delivery timetable by eighteen months to approximately September 2025 with an additional budget of £1,279,602.82 capital, funded from the Housing Revenue Account.

Reasons for Recommendations

The recommendation enables the necessary work on process redesign, data cleansing and data migration to be completed to successfully deliver the implementation of the new system. The milestones and timescales are robust and are realistic and achievable with sufficient time allocated to on-boarding the additional resources needed to deliver go-live by the target date.

Resource Implications

The revised approach to the implementation of Cx will require the recruitment of additional resources to support the project including subject-matter experts from corporate services.

Date signed off by <u>Strategic Director</u> & name	David Shepherd 9th February 2024
Is it also signed off by the Service Director for Finance?	_Isabel Brittain_ Isabel Brittain 1st March 2024
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Musgrove 1st March 2024

Electoral wards affected: All

Ward councillors consulted: None

Public or private: The cover report for the Cabinet is public but circulated alongside a private appendix (Appendix One: Business Case).

Has GDPR been considered? Yes

1. Executive Summary

1.1 This report should be read in conjunction with the Business Case provided for the Housing IT System Implementation (Appendix One).

1.2 In November 2020, the Cabinet approved £1m of capital spending from the Housing Revenue Account (HRA) to procure a new Housing Management information technology system and to award the contract to Civica Cx.

1.3 The Cx implementation began well in early 2021 and had a planned implementation date of April 2022.

1.4 Kirklees Neighbourhood Housing (KNH), previously an arms-length management organisation (ALMO), transferred into the Council in April 2021 and became the Homes and Neighbourhoods Service.

The procurement for Cx began pre-transfer (in late 2020), with the implementation of Cx beginning shortly after the transfer took place. The decision was made to replace the current Housing Management system (Universal Housing) due to system limitations, a lack of user capabilities (for tenants) and the system was due to go 'end of life', meaning upgrades, support and further functionality would be either reduced or obsolete – posing a security risk. Universal Housing also costs the organisation a significant sum of money to run (approximately £170,000 per annum) and was no longer offering value for money. Cx was procured to be the core Housing Management system and will manage all aspects of tenancies – including rents, terminations, voids, anti-social behaviour and sign-up. The system also includes capabilities to add complaints, Cx Mobile (for offline work within the community) and enhanced void management (including repairs) – all of which are identified for development following go-live. The system will provide better access to tenant data, essential for complying with the Consumer Standards and allow the service to manage cases end-to-end with interfaces into the repairs system and asset management system.

Following the transfer of KNH into the Council, the then KNH Information Technology (IT) Team merged with the Council's IT Team. At the same time, a number of former KNH senior managers left the organisation, including senior IT staff which resulted in the loss of corporate memory and specific project based skill sets.

Whilst the project began well, several issues emerged including inadequate resourcing across data, project management capability and a challenging relationship with the provider. The build and customisation of the IT system was found to be more resource intensive than originally anticipated, causing issues which has led to some delays and slippage in the go-live date.

1.5 In summer 2022, the Service Director for Homes and Neighbourhoods commissioned a status review of the project, requesting assurance that the processes were being redesigned to improve the customer experience and identify efficiencies whilst ensuring they are future proofed.

1.6 Following this, an intensive period of redesign has taken place, including staff engagement and collaboration across the entire service resulting in a newly developed 'customer journey' designed from a resident perspective. During this period, additional assurance mechanisms were established, and steps taken to strengthen the relationship with Civica, which has significantly improved.

1.7   The review concluded that the Council should adopt a Minimal Viable Product (MVP) approach, with the intention of implementing the system with critical business processes, with a further twelve-month (minimum) period of development to follow as a phase two - to add more functionality whilst the system is in use by the business.

1.8   Due to the significant amount of work required to redesign (and in some instances, rebuild) processes, identifying and fixing technical issues, and concerns raised over data integrity, the risks associated with going-live in November 2023 were deemed to be too high and the project was paused in September 2023.

1.9   Since September 2023, a detailed 'stocktake' and options appraisal have been completed across the project to identify a viable way forward.

2.   Information required to take a decision

2.1   Following the stocktake, one recommendation has been identified for consideration by the Cabinet. The recommendation will require a revised budget to be approved for the system implementation to continue. The HRA's Capital Plan has allocated £2.5m to the IT systems roadmap, of which £1m was allocated to the Cx implementation plan. The current Cx budget has £82,346.96 remaining (full spend detail has been provided in the business case). The option below requests a further allocation from the HRA IT Capital Budget.

3.   Implications for the Council

3.1   Working with People

3.1.1   The previous twelve months have focused on redesigning existing processes across Housing Management from a tenant perspective, identifying customer touchpoints, ensuring these processes are efficient for both residents and officers and provide more opportunities for engagement with, and support to, residents.

3.1.2   A key development within the Cx implementation project is the upgrade of the Abritas system (Choose 'n' Move), which will provide a better user experience for residents when bidding for properties by enabling more functionality and the ability to use smartphones to bid. Officers are engaging with residents in relation to this and plan to work with residents to test the system and gather their feedback.

3.2   Working with Partners

3.2.1   The project included relevant partners during procurement, such as Pinnacle (PFI contractor for the Excellent Homes for Life properties) and Housing Solutions who are main users of the system in addition to Homes and Neighbourhoods.

3.2.2   The project has further engaged with services across the council through periods of redesign, including redesigning of anti-social behaviour processes with Safer Kirklees and consulting with both Children's and Adults Social Care colleagues to design a new process for raising safeguarding concerns.

3.2.3   The project also continues to work closely with colleagues across relevant Council services.

3.3   Place Based Working

3.3.1   Through the redesign and better data integrity, the project aims to gather better intelligence and have greater insight, in relation to tenants – particularly around health and wellbeing,

levels of anti-social behaviour and the properties themselves. This will allow the Council to take intelligence-led decisions on which tenants, communities and properties require more resource and support.

3.3.2 Cx will also utilise Cx Mobile, which will allow officers from all parts of Homes and Neighbourhoods, including Property Services, to have access to tenant data and contact information from smart devices whilst out in the community.

3.4 Climate Change and Air Quality

3.4.1 The climate change impacts are minimal, however, some improvements will be gained through less travel (better access to digital information on smart devices whilst in communities).

3.5 Improving outcomes for children

3.5.1 Improved data on our properties and tenants will enable the Council to understand where vulnerable children and adults are living and be able to tailor support to them. For example, if a case of damp and mould is reported and a child is living in the property, this case would be prioritised due to children being at a higher risk.

3.5.2 The redesigned customer journey has identified opportunities to offer more financial support to tenants and families when they first sign up to a tenancy with officers able to direct tenants to available support and grants in addition to checking all possible benefits are being claimed.

3.6 Financial Implications

3.6.1 The total costs incurred to date on the Cx Implementation Project are £919,220.32 including future committed expenditure to the end of this financial year (23/24). The initial budget allocated to the project was £1m, and £80,779.68 of this budget remains available (further financial breakdown has been provided in the business case). If option two is recommended by Cabinet, this will cost an additional £1,279,602.82. The budget will be allocated from the Housing Revenue Account's Capital plan, which currently has £2.5m allocated for IT system replacements and provides for the £1m already approved for the Cx project.

3.6.2 The increased costs associated with the replacement of the Housing Management IT Project are already accounted for as part of the Homes and Neighbourhoods' Capital IT Programme. However, increasing the cost of Cx will have a financial implication on other planned IT system replacements (repairs and assets) where additional HRA capital investment will need to be allocated for these replacements.

The options appraisal and detailed financial breakdown within Appendix One demonstrates the different options explored for continuing with the implementation of a Housing Management IT system, which also included identifying options that would provide the best value for money. This has been particularly considered when reviewing resource requirements (aiming to recruit from within the organisation where possible rather than bringing in external resources) and by ensuring that the additional work carried out by Civica is cost effective to the project.

3.7 Legal Implications

3.7.1 The procurement and legal implications have been thoroughly considered and continuing with Civica is deemed to be the most appropriate to protect the Council's strategic and financial interests. The contract has a facility to be extended and was awarded on   31 December 2020 for five years with the option to extend for two years, allowing the contract to extend until 30 December 2027.

3.8 Other (eg Risk, Integrated Impact Assessment or Human Resources)

3.8.1 Whilst this is a service system, it has cross-council implications and as such will require the commitment of resources from a number of corporate teams as well as other services who are involved in delivering Homes and Neighbourhood services. Homes and Neighbourhoods' existing IT system no longer provides opportunity to drive change in the business to benefit residents. Based on an assessment of the project risks and the investment proposed, the balanced view is to drive the implementation of Civica CX. This will bring benefits to residents and the business in the shortest time frame without losing any of the work done to date.

3.8.2 The Integrated Impact Assessment (IIA) has recently been updated and is now live on the Council's website (Case ID: IIA-577593106). No major concerns raised. IIA has been approved by both the project senior responsible officer and the critical friend from Homes and Neighbourhoods Improvement Board.

4. Consultation

4.1 The options identified within the business case have been considered by Growth and Regeneration Senior Leadership Team (SLT), the Transformation Programme Board, the Homes and Neighbourhoods Improvement Board (HNIB) and the Executive Leadership Team (ELT). HNIB also includes the Chair of the Tenant Voice Panel. All parties recommended the Council do not continue to explore procuring an alternative IT system and that the option proposed (18-month delay to implementation) progressed, as set out within this report.

4.2 The HNIB has nominated a Board member as a 'critical friend' for this project who continues to provide officers with on-going support and advice.

4.3 As part of the review, officers consulted with several organisations (including other Local Authorities and Housing Associations) to gather their feedback and experience in relation to the implementation of Cx and continue to engage with some of these to share learning and best practice.

5. Engagement

5.1 Officers have engaged with staff and managers across Homes and Neighbourhoods and other parts of the Council throughout the duration of the project.

6. Options

6.1 Options considered

6.1.1 A detailed breakdown of options explored has been provided in detail in the appendix (Business Case). The recommendation proposed to the Cabinet is:

To continue to implement Civica Cx (extending project by eighteen months to approximately September 2025). Total cost: £1,279,602.82.

6.1.2 The recommendation is reliant on having resource in post and is dependent on the length of the recruitment/onboarding processes. Difficulties in recruitment have been factored in, with Senior Leadership Team and People Panel having early oversight of recruitment and the recommendation to delay by 18-months is to take into account the possibility of challenges with recruitment.

6.1.3 Alternative options have also been explored, including ending the contract with Civica and procuring an alternative Housing Management System. This option was considered by the Growth and Regeneration Senior Leadership Team (SLT) and Homes and Neighbourhoods Improvement Board (HNIB). However, further exploration of this option was not supported due to the likely significant time, cost, operational and strategic risks associated with this option.

6.2 Reasons for recommendation

6.2.1 The recommendation is considered to be the most realistic and deliverable option. Whilst the options appraisal concluded that it is possible to implement the system within twelve months, this option would present a higher risk profile and also would not allow for any potential delays with recruitment and on-boarding of new resources. The Council will use best endeavours to deliver go-live within 12 months which would result in some savings against staffing cost.

7. Next steps and timelines

7.1 Subject to Cabinet approval of the recommended option, officers will begin recruitment to ensure the project is adequately resourced to enable the work to move at pace. At a high-level, the proposed next steps are:

- February 2024 - develop recruitment business cases (Request to Fills - RTFs) and the specification for the Data Migration Lead contract. Officers will aim to seek approval for RTFs from SLT and People Panel in mid-February, but these will only progress to the final stages following approval from the Cabinet. [Complete]

- February 2024 - reconvene project boards and forums, including revisiting Terms of Reference and membership for fortnightly Project Management meetings and weekly stand-ups. [Complete]

- March 2024 - finalise detailed project plan and identify specific resources and teams required at each stage.

- March 2024 - re-engage with wider workforce in relation to new timescales and staff members identified as 'early adopters' (pending Cabinet approval).

- March 2024 - commence recruitment and procurement of roles (subject to Cabinet approval).

- March 2024/April 2024 - commence on-boarding of roles and re-establish project team, roles and responsibilities and activities.

- April 2024 - data pass conducted and data tested by service staff.

- April 2024 - all process redesigns are completed and signed off.

- May 2024 - test scripts completed (for use during testing of the system to report errors).

- May 2024 - Abritas upgrade is completed (including staff testing and training).

- June 2024 - data mapping (within processes) is completed.

- June 2024 - data cleansing is completed.

- July 2024 - second data pass completed and data tested.

- August 2024 - reporting is defined (future user requirements understood and gap analysis conducted).

- November 2024 - User Acceptance Testing begins (following final data pass).

- December 2024 - reporting data model is developed.

- February/March/April – Classroom training for staff.

- Go-Live identified for April/May 2025.

Please note – although the project did pause to undertake a review, low-risk activity has continued (e.g. completing IT builds already in development, finalising redesigns, fixing technical issues) in readiness for the project to restart in March 2024, subject to Cabinet approval.

The timescales above are based on a 12-month implementation plan beginning in March 2024 and is dependent on staff being in post. Officers have recommended an 18-month timetable with go-live with the minimum viable product in September 2025.

7.2 The recommended option identifies September 2025 as the date Cx will be implemented. However, officers are aiming to use best endeavours to complete this within 12-months.

8. Contact officer

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9. Background Papers and History of Decisions

9.1 A report was presented to Cabinet in November 2020 to request approval to draw down reserved capital to procure a new housing IT system for Homes and Neighbourhoods (then KNH). The report can be found here.

10. Appendices

10.1 A business case has been provided in addition to this Cabinet report at Appendix One.

11. Service Director responsible

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