ROTHERHAM BOROUGH COUNCIL – REPORT FOR CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS		
1	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2	Date:	16 June 2014
3	Title:	Housing Services: Integrated Housing Management System
4	Directorate:	Neighbourhoods and Adult Services

5   Summary

In the spring of 2011 RBT undertook on behalf of RMBC a procurement exercise for a new Integrated Housing Management Information System (IHMS). This new IT system was required to replace seven existing systems, some of which were nearing obsolesce and approaching the end of the period in which the original developer would provide maintenance support.

Approval to purchase Civica Universal Housing (UH) was secured with an agreed capital cost of £860,000. This report seeks authorisation for an additional expenditure of £241,000. This represents the total anticipated price to ensure full implementation.

This additional cost is a result of two factors, a significant overrun in the implementation timescale, and the need to purchase additional functionality to match or improve on existing elements of the current systems. The proposed additional sum has been the subject of intense negotiation between RMBC and Civica, and represents a compromise position reflective of the overrun being a combination of issues arising both from the council and Civica, however it represents a significant reduction on the price initially requested by Civica.

Provision is available for this additional expenditure from within the Housing Revenue Account budget for 2014/15 and there will be no adverse impact on the Council's General Fund Budget.

6   Recommendations

Cabinet member agrees:

6.1 To allocate an additional £241,000 for the purchase and implementation of the Civica Universal Housing System.

7   **Proposals and Details**

In early 2011 the successful supplier for the Integrated Housing Management System project was determined to be Civica UK with their social housing management system, Civica Universal Housing (UH). The agreed contract provided the Civica UH blueprint model; seen as providing business requirements with some development by the business and RMBC IT. The procurement process was undertaken by RBT and subsequently novated to the Council on completion of the RBT contract.

Civica UH will, when fully implemented, provide a considerable improvement on the current seven systems, several of which are nearing obsolescence and which do not directly interface with each other. The new system will therefore save both staff time and operational costs. This was reflected in the business case which underpinned the decision to replace the existing systems with Civica UH.

The scope of the replacement project is immense. It replaces all current housing management systems such as asset management, estate management, and rents financial systems (for lettings, it has been decided to retain the Abritas system - but, Civica will interface with it). The system will also replace the entire Council's complaints management system and will interface with both repairs contractors' systems and with Community Protection and Environmental Health's Authority Public Protection (APP) system (often referred to as Flare). This will, for the first time, allow housing officers with the requisite clearances to have full sight of all issues relating to properties and tenants.

However, in implementing the system several issues have been encountered. These include:

- The full extent of the work required to cleanse the prevailing databases, and to undertake the preparatory work on implementation was underestimated, resulting in significant delays, additional work and additional extra cost.

- During implementation it became apparent that the Civica UH blueprint provides only a general basic system which has required significant work to adapt it to the specific requirements of RMBC and its partners. This upgrading activity has required the input of significant time and resource.

- Other external and unforeseeable factors, such as the Government's increased expectations of security functionality for councils linking in with the government's public service network have also required considerable extra work.

The enhanced functionality which is being proposed will ensure that the council has a sophisticated highly efficient system which includes the following:

- Finance interface (including Housing Benefit, ICON and E5) – work to develop an extended credit/debit matrix will allow for automation of work that currently is dependent upon spreadsheets and manual checking. The interface will more effectively meet Audit requirements eg we will have a monthly reconciliation of cash and Housing Benefit and no longer need to do manual journals – all will be done automatically.

- Extended Abritas integration will allow for the integration of the whole process from applications and allocations through to Civicia UH for the creation and management of tenancies.

- Development of PINS (Personal Identification Number System) will allow for all information to be kept and accessed against a tenant across the system.

- The development of additional fields will allow us to hold a range of information (communication requirements, access etc) to provide a more responsive customer service.

- The development of additional screens in the system will allow for all Court, Arrears and Eviction records to be held and interrogated giving the necessary information for court proceedings.

- Interface between Civica APP and Civica UH will allow for collaborative working where enforcement action is involved as well as wider tenancy management. The interface will also cut out the current double entry into two systems.

- Interface between the Keystone Asset Management system and Civica UH will allow the passing of jobs through to the contractors as now, but the development of the system will allow for the maintenance of the up-to-date position for Asset Management.

- Payment Cascade will allow a payment to be split across accounts in an agreed hierarchy (rent, arrears, court costs, etc) and will also show the whole payment so that the Contact Centre can respond to customers when enquiring if payments have been received.

- Period End Automation – this can be set to run at any time with notification of any issues by e-mail

- Automatic creation of the next property reference – cuts out the risk of any property being given the same reference

- Check Digit – reduces the risk of incorrect keying and misplacement of payments

  All of these issues are being developed in such a way as to enable online capability. So for example information relating to repairs will be on the system in plain English allowing the prospect of tenants reporting repairs and getting updates on line.

  As a result of these issues Civica have sought to claim from the council reimbursement for costs relating to additional project management time and the costs of adding in the additional required functionality.

  Whilst the council accepts that costs for additional functionality are on the whole reasonable, we have sought to dispute the extent of the costs arising out of the delay in implementing the system. This issue was first raised by Civica in early 2013, but negotiations did not start in earnest until late in 2013. Considerable negotiation has taken place since then, but the position of the council was that no settlement could be reached until a final cost could be agreed to take the project up to full implementation. From a Civica perspective, this was difficult to determine as it is dependent upon the time taken to fully implement the system (which is itself based on several variables) and any further changes to the base system that RMBC requires. Work has been undertaken by both sides to determine these issues as far as is foreseeably possible. Subsequently costs have been proposed by Civica which were then subject to negotiation. These negotiations were escalated and took place with the Managing Director of Civica.

As part of these negotiations, several items and functionality have been identified by RMBC as required which are outside the scope of the initial contract. These upgrades have been deemed by RMBC as essential to the smooth running of a modern housing business. For example, a critical business requirement is to cascade customer payments across accounts (for example, rent, district heating, garage rent etc).

Throughout this process Civica have been challenged to explain any disparity between the capability of the UH blueprint and the functionality of the system required by RMBC. For example, when a problem with the underlying SQL (Structured Query Language) database was identified by RMBC, Civica's initial response in January 2013 was to see this as a Rotherham specific change to be made at a cost of 10 days development time. By July 2013 Civica had accepted our view that this change was necessary to make their product suitable for all customers on the public service network and consequently they agreed to provide this upgrade at no additional cost to Rotherham.

As a result of these detailed negotiations over a period of months RMBC and Civica have identified a list of work to complete the full implementation.

8   **Finance**

The capital budget for the project, approved in July 2011, provided up to £860,000 funding. Civica software and professional services, including first year support and mobile working, were agreed as £462,113.

To date Civica have been paid £206,650 on the deployment of the software, plus £89,373 for change requests covering project management from September to December 2013, additional consultancy and training, the development of additional fields to display personal identification information in one place and the development of the Payment Cascade.

The costs requested by Civica to support the remainder of the implementation amounted to £306,050, this was subsequently renegotiated on May 14 2014 and a fee of £241,075 agreed, subject to Cabinet Member support. The details are as follows:

Services	Initial Invoice	Agreed fee
1 Additional Services required for phases 1, 2 and 3 including project management for January 2014 to August 2015.	£165,500	£113,925
2 Additional software including customer specific interfaces to Abritas, Civica APP and standard repairs interface	£97,200	£91,000
3 Work to create specific functionality in the system including auto scheduling of Direct Debits, Arrears policy code revisions and additional data pass	£43,850	£36,150
Total	**£306,550**	**£241,075**

During these negotiations Civica agreed to provide 7 days per month project management support, but only charge for the equivalent of 5 days per month. Any additional protect management support over and above 7 days will be at Civica's expense. Civica also agreed to a reduced daily contract rate for project management or consultancy time. This agreement holds subject to the project being implemented by August 2015 and, so long as additional costs are not incurred as a result of RMBC increasing the project scope.

Items 2 and 3 were issues that were identified as required by RMBC (as described above) but determined to be beyond the scope of the initial UH blueprint, so whilst reductions in price were achieved this was on a smaller scale to reductions secured for project management time.

Provision is available for this additional Housing Revenue Account expenditure from within the budget available for 2014/15

9   **Risks and Uncertainties**

Without this agreed level of input from Civica we will not be able to develop the system to the level required for the successful implementation of Phase 1 and the proposed go live for phase 1 scheduled for October 2014 will be at risk.

Although work has identified the overall scope of interfaces required for the remainder of the implementation, until the detailed work is undertaken for phases 2 and 3, it cannot be confirmed that the specified interfaces will fully meet business requirements. The risk is that more development is required than is currently in scope.

10   **Policy and Performance Agenda Implications**

This project is a critical issue in the ability of the Council to deliver an effective and efficient housing management service. It is comprehensive in its scope covering all housing functions, including rent collection and the corporate complaints system. It also involves critical interfaces with environmental health, community safety and finance systems.

11   **Background Papers and Consultation**

Cabinet Member Report July 2011

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