

REQUEST FOR DIRECTOR DECISION – DD1302

Title: Procurement of IT for the Mayor's mobility schemes

Executive Summary:

This paper seeks approval to procure IT hosting, support and development for the Mayor's housing mobility schemes – Seaside & Country Homes and Housing Moves - from 1 April 2015 to 31 March 2016 at a maximum cost of £110,500. Current contractual arrangements come to an end on 31 March 2015. The re-procurement will enable the continuation of these two schemes. There is a compelling case for them to continue. For example, both schemes are extremely popular and successful, Housing Moves will be the mechanism through which the forthcoming top slice of new affordable rent units will be administered, and the GLA is in contract with each of the London boroughs to administer Seaside & Country Homes.

Decision:

The Executive Director approves:

1. The allocation of funding (from the Housing and Land Directorate's provisional 2015/16 external services budget) for expenditure of up to £110,500 on IT hosting, support and development services required for the Mayor's mobility schemes in 2015/16 and potential further expenditure in 2016/17 and 2017/18 at the discretion of the GLA (subject to further approvals).
2. A contract being put in place that allows for two one-year extensions, noting that GLA approval will be required for the extension(s) to be exercised.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: David Lunts

Position: Executive Director Housing and Land

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 **Housing Moves**, launched in May 2012, is the Mayor's scheme to enable existing housing association and council tenants in London move from one borough to another (approved through MD522). Boroughs and housing associations contribute a proportion of their social housing lettings to a central 'pot', and their tenants and residents can then apply for the scheme and place a bid to move to one of the pooled properties.
- 1.2 Since its launch in May 2012, over 11,000 households have applied for the scheme. Over the same period, there have been over 500 moves, with the rate of moves accelerating the longer the scheme is in place. In addition, the 68 lettings at the East Village secured by the Mayor for pan-London mobility were advertised and let through Housing Moves.
- 1.3 **Seaside & Country Homes** (SCH) enables older social tenants to move out of the capital, freeing up between 150 and 200 family sized homes each year which can then be used by social landlords to house Londoners in need. The scheme creates significant financial savings for London boroughs, and it provides a positive housing option to older Londoners. It was established in 1968 and the Mayor brought it into the GLA (from the Department of Communities and Local Government) in 2011, saving the scheme from threatened closure (approved through MD558). Since 1 April 2013, SCH has been funded by the London boroughs on a fee-per-letting basis (approved through MD1070).
- 1.4 Both schemes are underpinned by an IT system, the functionality of which includes the following:
 - online customer applications (both schemes)
 - properties advertisements and bidding (Housing Moves only)
 - equalisation of properties contributed and moves in (Housing Moves only)
 - the matching of applicants to properties (SCH only)
 - reporting and monitoring tools (both schemes).
- 1.5 The IT for Housing Moves and, subsequently, SCH was developed by Home Connections and is a much-enhanced version of their off-the-shelf choice based lettings system. Home Connections has also provided the hosting and IT support for both schemes. Initial IT development, hosting and support costs for each scheme were approved through MD552 and DD851 respectively. The initial IT development and support for Housing Moves was procured through a competitive process, with the addition of SCH undertaken as a variation to the original contract. The total cost of initial development and subsequent enhancements for both schemes amounts to around £150,000.
- 1.6 Contractual arrangements for hosting, support and IT development come to an end on 31 March 2015. There are compelling reasons for continuing both schemes beyond this point:
 - They are both strategically important to London and play, or will play, a key role in assisting to meet key priorities in the London Housing Strategy 2014
 - to address the mismatch in the supply and demand of Affordable Rent homes across the capital through top slicing a proportion of new build Affordable Rent homes delivered through the 2015-18 Mayor's Housing Covenant programme for pan-London mobility. Housing Moves will be the mechanism through which the top slice will be advertised and let¹.
 - to facilitate mobility, particularly for working Londoners and underoccupiers

¹ As set out in the Mayor's Housing Covenant Programme 2015-18 programme prospectus, GLA, 2014

- to halve overcrowding in social housing by 2016.
- The London Housing Strategy specifically commits to exploring the expansion of both schemes.
- Housing Moves will probably be the mechanism through which the London boroughs will fulfil their commitments under the government's proposed Right to Move initiative, whereby they may be required to contribute a proportion of their lettings to tenants from outside their area moving because of work.
- There is overwhelming support from London's boroughs and housing associations for both schemes. All but one borough participates in Housing Moves and all participate (and fund) SCH. In addition, 40 housing associations participate in both schemes and the G15 also contribute their own quota of properties to Housing Moves.
- There is a high level of demand from Londoners for both schemes, with around 5,000 applicants currently registered for Housing Moves and over 1,000 for SCH.

1.7 It is proposed that the contract is procured using TfL's new Reseller Framework. This Framework covers a wide variety of suppliers and services, including potentially those currently provided by Home Connections.

1.8 The estimated cost breakdown in 2015/16 for support, hosting and IT development across the two schemes is as follows:

	Housing Moves	Seaside & Country Homes	Total
IT hosting and support	£20,000	£8,000	£28,000
IT development	£75,000	£7,500	£82,500
Total	£95,000	£15,500	£110,500

1.9 While it is anticipated that the bulk of the Housing Moves IT development for the top slice will be undertaken in 2014/15, there could be additional subsequent changes in 2015/16, for example the inclusion of new applicants, with cost implications in 2015/16. The maximum anticipated IT development costs for Housing Moves are therefore substantially higher in 2015/16 than they are likely to be in future years, when the scheme is operating on a business as usual basis.

1.10 It is proposed that the new contract will be for the provision of hosting and support at a fixed cost, with the option for IT development if, as and when specified by the GLA up to a maximum cost. Expenditure on development will be reviewed on a quarterly basis. As part of the new contract, GLA officers will seek to negotiate a number of upgrades to the system and a period of development time to be provided by the contractor free of charge. In addition, GLA officers will explore the potential for incentivising the specified vendor to raise income for the schemes, potentially through sponsorship or advertising on the website.

1.11 The procurement needs to proceed as soon as possible, to provide certainty around the continuation of both schemes beyond 31 March 2015. This is needed because:

- boroughs have already been invited to purchase a maximum number of lettings for SCH during 2015/16 and addendums to the SCH contracts between each borough and the GLA will already be issued
- IT development to enable the pan-London top slice of new Affordable Rent homes to be advertised and let through Housing Moves needs to commence in the next month or so, in readiness for implementation in 2015/16.

- 1.12 It would not be prudent either to devote further resources to IT development, or to enter into contractual arrangements with the boroughs, in the absence of certainty around the continued provision of IT for both schemes.

2. Objectives and expected outcomes

- 2.1 The key objective of this procurement is to enable Housing Moves and SCH to continue to operate, in order to deliver the policies and outcomes set out in paragraph 3.5 above.
- 2.2 Corporate key performance indicators (KPIs) for the schemes for 2014/15, as reported to the Investment and Performance Board, are given in the table below. Once the top slice of new Affordable Rent has been implemented, the number of moves through Housing Moves, and therefore the Housing Moves KPI, is likely to increase.

	Housing Moves	Seaside & Country Homes	Total
Moves	267	200	467
Bedrooms freed up	n/a	445	n/a

3 Equality comments

- 3.1 As those with the protected characteristics of age, race and disability are over-represented among existing social tenants, the proposals in this paper are likely to have positive impacts on these groups.

4 Other considerations

a) Key risks and issues

Risk description	Rating	Mitigating action
Contractors outside the TfL Reseller Framework may challenge the basis of the procurement.	Green	This procurement route has been selected as the most appropriate by procurement advisors at TfL. It is within the terms of the GLA's Contracts and Funding Code, and its basis will be clearly communicated to any contractors that may seek to challenge the procurement route.

b) Links to Mayoral strategies and priorities

Homes for London – the London Housing Strategy contains the following policies relevant to the mobility schemes:

- P4 To deliver homes to tackle overcrowding the Mayor will support mobility so that people who are under-occupying can downsize and free up properties for households who are overcrowded.
- P28 For affordable rented homes funded through GLA programmes five per cent will be let on a pan-London basis and ten per cent on strategic sites. In addition ten per cent will be retained for nominations by the registered provider. This will replace the current system of sub-regional nominations.
- P29 The Mayor will explore the expansion of the Housing Moves and Seaside & Country Homes schemes for under-occupiers and those in employment.

c) **Impact assessments and consultation**

An independent evaluation of the first two years of Housing Moves, due to report in early 2015, will include consideration of the equalities impacts of the scheme. The Department for Communities and Local Government, which previously operated the scheme, undertook an equalities impact assessment of Seaside & Country Homes in 2009 and a further assessment was subsequently undertaken by the GLA.

The London Housing Mobility Group (LHMG), chaired by the Mayor and with high level representation from boroughs and housing associations, provides oversight of the Mayor's mobility schemes. The London Housing Mobility Working Group (LHMGWG), which contains operational staff from boroughs and housing association, provides operational input to the development and running of the schemes. There is regular consultation with both groups on all aspects of both schemes.

5 Financial comments

- 5.1 There is funding of up to £110,500 for the 2015/16 IT hosting, support and development costs for the Mayor's mobility schemes earmarked in the current 2015/16 draft budget to fund this expenditure - specifically £95,000 from the 2015/16 Housing and Land external services budget and £15,500 from the Seaside & Country Homes budget. The confirmation of this funding is subject to the finalisation and sign-off of the 2015-16 budget by the Mayor in February.

6 Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Director fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, or conducive or incidental to the promotion of social development in Greater London and that in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

6.1.1 pay due regard to the principle that there should be equality of opportunity for all people;

6.1.2 consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and

6.1.3 consult with appropriate bodies.

- 6.2 The services required must be procured by Transport for London Procurement in accordance with the GLA's Contracts and Funding Code and its Reseller framework protocols. Officers must liaise with Transport for London Procurement in this regard and in order to ensure that an appropriate contract is put in place between and executed by the GLA and the successful bidder before the commencement of the supplies and services in question.

7. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract commences	w/c 12 January 2014
Contract commences	1 April 2015

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Contains information which may be commercially sensitive – publication to be deferred until procurement complete.

Until what date: 1 April 2015

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Debra Levison has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Jamie Ratcliff has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date