

REQUEST FOR DIRECTOR DECISION – DD2096

Title: Housing mobility schemes - IT improvements

Executive Summary:

The GLA runs two housing mobility schemes for social tenants – Seaside & Country Homes and Housing Moves. This paper seeks approval to fund enhancements to the IT for these schemes in 2016/17, to improve the speed and efficiency of the services. These enhancements, which will include streamlining the verification process, improving IT speed and enabling applicants to attach documents, will significantly improve the services for both customers and users.

It also seeks approval to extend for a further year, to 31 March 2018, the current contract providing these services. This will enable the continuation of these two schemes. They are popular and successful, and the GLA is in contract with each of the London boroughs to administer Seaside & Country Homes (which is self-funding). The GLA's existing contract with Insight Direct (UK) Ltd was called off from TfL's resellers framework, which was procured via an OJEU-advertised process. That contract, which commenced on 1 April 2015, includes an initial term of one year and an option for two further periods each of one year. The contract has already been extended once (for one year – 2016/7) and it is proposed that it is extended again for a further year (2017/8).

Decision:

That the Executive Director, Housing and Land approves:

- funding of £26,610 for IT for the Mayor's housing mobility schemes in 2016/17. The IT enhancements total £45,810. There is £19,200 unallocated from DD1488 for this purpose. The additional £26,610 from within the Housing and Land Directorate's Housing Moves budget.
- the extension by one year – to 31 March 2018 - of the current contract with Insight Direct (UK) Ltd to provide IT hosting and support services for the Mayor's mobility schemes. Funding will come from the Housing and Land Directorate's provisional budget for 2017/18 of £20,360 and from the Directorate's external services budget of £8,145 from the Directorate's Seaside & Country Homes budget.

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 of Housing & Land

Signature:



Date:

01/03/17

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 15,000 households have applied for the scheme. Over the same period, there have been 1,000 moves, with the rate of moves accelerating the longer the scheme is in place. In addition, the 68 lettings at the East Village secured for pan-London mobility were advertised and let through Housing Moves. A top slice of new build rented homes funded through the 2015-18 and 2016-21 affordable homes programmes are/will be let through Housing Moves.
- 1.3 **Seaside & Country Homes (SCH)** enables older social tenants to move out of the capital, freeing up around 150 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 by the Greater London Council in 1968 and it was devolved from the Department of Communities and Local Government to the GLA in 2011 (approved through MD558). Since 1 April 2013, SCH has been funded by the London boroughs on a fee-per-letting basis (approved through MD1070), and the GLA is in contract with every borough to deliver the scheme
- 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 moves in and out of each borough (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, in its most recent incarnation, SCH was developed by Home Connections and is a much-enhanced version of their off-the-shelf choice based lettings system. Home Connections are currently sub-contracted by Insight Direct (UK) Ltd to provide hosting and support (at a fixed annual cost) and IT development work (as and when required, and as specified by the GLA, up to a maximum annual cost) for the service until March 2017 (approved through DD1302 and DD1488). The annual fixed and maximum standard costs under the current contract with Insight are below. This DD seeks approval is for the IT hosting and Support only (£28,505 in total; £20,360 from the Directorate’s external services budget and £8,145 from the Directorate’s Seaside & Country Homes budget). Any spend on IT development in 2017/18 will require a separate approval:

	Housing Moves	Seaside & Country Homes	Total
IT hosting and support (fixed costs)	£20,360	£8,145	£28,505

Development work in 2016/17

- 1.6 The following enhancements to the IT for these schemes are required before the end of 2016/17:
- **streamlining the verification process and enabling applicants to attach documents:** it has become clear that longstanding delays to landlords verifying applications cannot be overcome

by making operational changes and that a radical IT change is required. The current system is unwieldy and cumbersome, with landlords required to take 72 steps to verify an application. The IT change will reduce this to just eight. A further IT change will also enable applicants to attach documents, which will also speed up the verification process. Currently 1,962¹ applicants are unverified beyond the target 15 day period, which means that they cannot bid for or be considered for properties – undermining the integrity of the service

- **improving IT speed:** the speed of the IT wastes time and is an increasing source of frustration for GLA mobility staff, users and customers alike, so work to improve speed by a minimum of 25 per cent is proposed
- **improving security levels:** this will bring the system up to current standards. This will include enabling users themselves to reset their password.

1.7 The above enhancements will cost £45,810. This is a discounted rate negotiated by GLA officers with Home Connections, and is £19,000 below the original quote. As there is only £19,200 of approved budget for development remaining for 2016/17, approval to spend a further £26,610 is requested. This £26,610 is available from the Housing Moves budget, from underspend carried forward from 2015/16 into 2016/17 (approved by MD2010).

Contract extension

1.8 It is proposed that the existing contract be extended for a further year, to 31 March 2018, with the same fixed and maximum costs as set out in paragraph 1.5 above. Given the substantial development work being undertaken in 2016/17, it is highly likely that expenditure on development will be well below the maximum levels in 2017/18. GLA officers will continue to review expenditure on a quarterly basis, and will seek to negotiate upgrades to the system and a period of development time to be provided by the contractor free of charge.

1.9 Extending the current contract rather than procuring a new one will allow sufficient time to fully consider alternative options for the delivery of the services, including the potential inclusion of the schemes in a single housing portal for a range of Mayoral initiatives, such as First Steps.

2. Objectives and expected outcomes

The proposed IT enhancements will increase the schemes' speed and efficiency and, as a result, significantly improve customers' and users' experience. Expected outcomes are as follows:

Outcomes	Output
Improved IT speed	A minimum of 25 per cent faster than it is currently
Reduced number of applicants unverified after 15 days	October 2017 – under 1,000 applicants unverified March 2018 – under 500 applicants unverified March 2019 – under 150 applicants unverified (currently there are 1,962 unverified applicants)
Applicants able to attach documents online to assist landlords with verification process	Improve verification timings (see above)
Improved online security	On line form user lead password reset

2.1 The key objective of the contract extension is to enable both schemes to continue to be run during 2017/18.

3. Equality comments

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

¹ Figure correct as of 12 September 2016

4. Other considerations

a) Key risks and issues

Risk description	Rating	Mitigating action
The current system may run more slowly than normal and elements of the service unavailable while the development work is undertaken.	Green	The work will be phased and tested via the separate staging site.
Contractors outside the TfL Reseller Framework may challenge the extension of the contract.	Green	This procurement route has been selected as the most appropriate by procurement advisors at TfL. There were no challenges when the original contract was let or when it was extended.

b) Links to Mayoral commitments and priorities

In the Manifesto there is a clear commitment that London needs to protect its social housing as a vital asset:

- take action on London's housing crisis – a step change in new housing supply, to rent and to buy, with first dibs for Londoners
- Homes for Londoners will build the genuinely affordable homes we need, including: Homes for social rent, supporting councils and housing associations to build.

There is also a clear commitment to enabling greater choice for older people who wish to downsize:

- as London's population grows it is vital that we look at developing new forms of housing to meet the future needs of the capital, such as community land trusts, co-housing, and housing which allows older Londoners to downsize.

c) Impact assessments and consultation

An independent evaluation of the first two years of Housing Moves reported in early 2015 and concluded that the scheme was 'well-run, is cost effective and costs are proportionate to outputs.' 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), with high level representation from boroughs and housing associations, provides oversight of the mobility schemes. The London Housing Mobility Area Working Group, which contains operational staff from boroughs and housing associations, 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 This decision requests approval for an additional expenditure of £26,610 for the Mayor's Housing Mobility Scheme's IT enhancement costs in 2016/17. It also seeks approval to extend for a further year (to 31st March 2018) the IT hosting for Mayor's Mobility Scheme (Housing Moves and Seaside & Country Homes project) with current provider Insight Direct (UK) Ltd.
- 5.2 The total costs of IT enhancements in 2016/17 financial year amounts to £45,810. There is £19,200 currently unallocated from DD1488 for this purpose. The additional £26,610 will come from underspend identified in the Housing and Land Directorate's Housing Moves budget.

- 5.3 The extension of the IT contract with Insight Direct (UK) Ltd will incur the fixed costs of £28,505 in 2017/18 financial year, which will be drawn down from two separate budgets within Housing & Land directorate:
- Housing Moves will contribute £20,360 and
 - Seaside & Country Homes will contribute £8,145

6. Legal comments

6.1 The decision the subject of this report relates to the GLA's existing agreement with Insight Direct (UK) Ltd, which commenced in April 2015 (the "Contract"). The GLA's entry into that contract was the subject of DD1302. The legal comments in the said DD continue to apply to this decision.

6.2 The Contract was drafted to run for an initial period of one year with an option for two further periods each of 12 months. The contract has already been extended once; for one year – 2016/17.

6.3 In light of the presence of a pre-existing option to extend the Contract for a further period of 12 months and the fact that the Contract was called off from an OJEU-advertised framework, the director may approve this decision without the need for an attendant exemption from the requirements of the GLA's Contracts and Funding Code.

7. Planned delivery approach and next steps

Activity	Timeline
IT developments work commences	20 February 2017
GLA user acceptance testing	2 June 2017
IT changes complete	31 July 2017
Contract extension period commences	1 April 2017
Contract ends	31 March 2018

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? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

David Eastwood 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.

✓

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 27 February 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Blag

Date

28.2.17