



**REPORT TO:** Housing Portfolio Holder  
**LEAD OFFICER:** Director of Housing

15 October 2014

---

## **Request for delegated authority to procure a new contract for the sub-regional Home-Link scheme**

### **Purpose**

1. To request delegated authority to procure a new contract for the sub-regional Home-Link scheme, in partnership with the other local authorities in Cambridgeshire and West Suffolk.
2. This is a key decision because:
  - (a) it results in the authority potentially incurring expenditure which is significant to the Council's budget for the service to which the decision relates to; and
  - (b) it is significant in terms of effects on communities living or working in an area comprising two or more wards or electoral divisions in the local authority area.

### **Recommendations**

3. It is recommended that the Portfolio Holder approves procurement of the new contract in the current financial year (2014/15).

### **Reasons for Recommendations**

4. Without a new contract in place the current service to customers would cease in February 2015, with no viable alternative available. This would leave the Council with no system to allocate available properties to applicants in housing need (with the resulting void rent loss), no system to provide housing options and process homeless applications, and no system for tenants to access mutual exchanges locally or nationally.
5. Advice has been taken from the Council's Procurement Officer, who recommends that a full procurement for a new contract must be undertaken to remain compliant with the legislation.

### **Background**

6. The sub-regional Home-Link scheme provides the core IT system, housing allocation, housing options and homelessness services for the partnership that covers Cambridgeshire and West Suffolk. The service is also used by around 30 housing associations.

It has been in operation since 2008, working with Locata Housing Services (LHS) who were successful in the original tender process.

The contract with LHS has been extended to the full extent allowed by the original contract, so now a new contract must be in place by February 2015 if the CBL partnership is still to continue providing a service to customers.

### **Considerations**

7. The Home-Link Management Board represents the partnership and has rejected the option to each have internal schemes and systems, because working in partnership offers a single access point for housing options for customers across the sub-region.
8. In order to allow sufficient time to procure a new contract and cover any implementation project needed, the current contract will need another extension outside that originally agreed in the contract. The proposed extension would be until 31 March 2016, to allow adequate time to implement a whole new system if that is the outcome of the procurement process. Advice from the Council's Procurement Officer (acting as the lead procurement officer within the partnership) is that this is acceptable as long as we can demonstrate being actively engaged in a procurement process.

### **Options**

9. There is no option but to procure a new contract for the scheme but there are options about how this is done.
10. The first option is through a tender process following the OJEU regulations due to the total contract value across the sub-regional partnership. The Home-Link Management Board would decide which tender process was appropriate to the contract following advice from the Procurement Officer.
11. The second option is to use a Government Framework Agreement where likely suppliers are signed up. Currently only one of the major CBL system suppliers is signed up to a Framework Agreement but a decision on when other lead suppliers will be accepted onto the framework will not be made until December 2014. When there is more than one suitable supplier a comparison between their offers can be run through the Crown Commercial Service (similar to the scoring of tenders). However, due to the fact that December 2014 is the earliest point two suitable suppliers will become available for a comparison, this option was discounted by the Home-link Management Board.

### **Implications**

12. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity and any other key issues, the following implications have been considered: -

#### **Financial**

13. The year on year cost of providing the current service is already in the relevant service budget. The cost of the procurement process will either need to be funded from the current sub-regional Home-Link budget, or if there is not sufficient available the relevant service will need to fund 1/7<sup>th</sup> of the amount (approx. £1,430). This could be met from existing budgets.
14. A more major financial implication could be implementation costs associated with awarding a contract to a new supplier if the current supplier is not successful in the

procurement process. Funding would need to be secured for the relevant service area in the 2015/16 and 2016/17 budgets to cover this eventuality. Early indications are that a 1/7<sup>th</sup> share of these costs would be approx. £30,000 split between two years. Although this figure is substantial, over the expected contract length of 8 years (5 years with an option to extend for a further 3 years) this equates to an extra £3,750 per year. A preliminary request has been made for these funds to be reflected in Precautionary Items for 2015/16.

#### **Legal**

15. Apart from the need to have Legal advice on the procurement process and the contract award, there are no other legal implications.

#### **Staffing**

16. There are no significant long-term staffing implications as there is already a sub-regional scheme running and the same service will need to continue to be provided. The staff implications are short-term in terms of the resources needed for the procurement process, system specification and any implementation and testing of a new system. Each partner organisation will need to ensure that staff resources are available over the next 6 – 12 months without a detrimental impact on the daily running of services.

#### **Risk Management**

17. Any project risks will be fully documented in the Risk Log but the immediate risk is not having permission or funding to procure a new contract. This would mean that the current service to customers would cease in February 2015 with no viable alternative available. This would leave the council with no system to allocate available properties to applicants in housing need (with the resulting void rent loss), no system to provide housing options and process homeless applications, and no system for tenants to access mutual exchanges locally or nationally.

#### **Equality and Diversity**

18. The current scheme is covered by an Equality Impact Assessment (which was last updated in 2012 prior to the implementation of the new Lettings Policy). This EIA would be updated to take account of any changes to accessing the scheme that occur due to the procurement.

**Background Papers:** none

**Report Author:** Heather Wood, Head of Housing Advice and Options  
Telephone: (01954 713044)