

	Officer Key Decision
	Report to the Corporate Director of Partnerships, Housing and Resident Services
	Lead Cabinet Member for Housing and Resident Services - Councillor Donnelly-Jackson
Call off of a contract from a Framework Agreement for the provision of additional module licences and development costs for Housings IT systems	

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Name Mairead Lynch Position: Head of Housing projects Email: Mairead.lynch@brent.gov.uk

1.0 Executive Summary

1.1 This report concerns the procurement of additional module licences and development costs of Housings IT systems. This report requests authority to award a call-off contract as required by Contract Standing Order 88. The report summarises the reasons for the request to award, the process undertaken in procuring the additional modules and recommend to whom the call-off contract should be awarded.

2.0 Recommendation(s)

That the Corporate Director of Corporate Director of Partnerships, Housing and Resident Services:

2.1 Approves the pre-tender considerations set out in paragraph 3.8.

2.2 Approves the award of the call-off contract for the provision of additional Housing Modules from the Crown Commercial Service's Vertical Application Solutions Framework Agreement RM6259 Lot 3 - Housing, Environmental and Planning Solutions to NEC Software Solutions UK Limited for two (2) years in the sum of £555,202.00.

3.0 Contribution to Borough Plan Priorities & Strategic Context

3.1 Prosperity and Stability in Brent

- Easing the Cost of Living crisis
- Safe, secure and decent housing

The first strategic priority within the Borough Plan is to promote prosperity and stability of the borough's residents. There are two areas forming part of this priority around easing the cost-of-living crisis and the provision of safe, secure and decent housing. Crucial to these aims is the need to provide Brent Council access to computer systems that are secure and stable for housing, containing data which can be utilised to make informed complex decisions and to tailor housing services as required under the Social Housing Regulation Act 2024

3.2 Data & Insight Strategy

Data is key to transforming Housing Services and this award will ensure the council meets the objectives set out in the data & insight strategy vision by 2027 we will become an organisation that maximises the value of data to innovate, improve services and deliver better outcomes for Brent Housing. Innovating local services and embracing modern, joined up and agile ways of working. Fulfilling the potential of data to transform services and improve lives. Creating opportunities to drive efficiencies particularly in the important areas of Income Collection, Repairs and Maintenance and Improvements to Leasehold data and service charging.

3.3 Digital strategy

Digital strategy vision of becoming a digital place and a digital council. New systems are making us more efficient and effective, whilst transforming the experience of our residents when accessing services; more residents have gained the digital skills, tools and confidence needed to participate online; and our use of data will enable us to adapt services to meet the changing needs of residents and provide more tailored support to meet individual needs.

The link to Council policies can be found here:

<https://www.brent.gov.uk/the-council-and-democracy/strategies-priorities-and-policies>

4.0 Background

- 4.1 The Council requires the provision of improved Housing Management data and services. Officers have considered whether the improvements to the Council's Housing Management IT system supplied by NEC Software Solutions UK Limited ('NEC') can be provided by the Council itself but have concluded that due to technical and operability reasons, the improvements through additional Housing Modules in the Housing Management System can only be provided by a contractor. Officers have reviewed a range of procurement options and have determined that the use of a framework agreement is the most appropriate and cost-effective means of procuring a contractor.

4.2 Officers have identified Lot 3 - Housing, Environmental and Planning Solutions of the Crown Commercial Service’s Vertical Application Solutions Framework Agreement RM6259 (the “Framework”) as the best alternative to procure the extra Housing Modules. Officers having identified the contractor that provides the most economically advantageous offer in accordance with relevant criteria set out in the Framework are now recommending the direct award of a call-off contract to NEC (the “Call-off Contract”).

5.0 The Procurement Process

5.1 The Call-off Contract will be called off from the Framework, using the order form and call-off schedules and that include standard call off terms and conditions prescribed under the Framework with provisions that are specific to the provision of the modules being procured.

5.2 The Framework permits award by way of a further competition and by way of a direct award and sets out rules for the identification of the most economically advantageous contractor under both procedures. Officers consider that identification of the most economically advantageous contractor using the Framework’s direct award procedure is most appropriate for the procurement of the Call-off Contract due to the technical and operability reasons set out in 3.2.

5.3 In compliance with the Framework guidance, Officers have reviewed the Framework’s information for all contractors on Lot 3 on the Framework as set out at Appendix 1 of the Framework and after having received and assessed the service definition and price for the Council’s requirements from NEC, Officers recommend awarding a Call-off Contract to NEC as the most economically advantageous contractor. The proposed Call-off Contract is for a period of two (2) years in the sum of £555,202.00.

5.4 The contract will commence on 01/05/2025.

6.0 Pre-tender Considerations

6.1 The pre-tender considerations relevant to the Contract are as follows:

Ref.	Requirement	Response
(i)	The nature of the services / supplies / works.	As detailed above
(ii)	The value.	£555,202.00
(iii)	The contract term.	2 years
(iv)	The tender procedure to be adopted.	Direct Award of a Call-off Contract using the Crown Commercial Service’s Framework Agreement RM6259 - Vertical Application Solutions.
(v)	The procurement timetable.	Stage in Procurement Indicative dates

Ref.	Requirement	Response													
		Identify suitable route to market	20/01/2025 - 10/02/25												
		Desktop evaluation of supplier Service Offer	11/02/2025 – 13/03/2025												
		Contract start date	01/05/2025												
(vi)	The evaluation criteria and process.	<table border="1"> <thead> <tr> <th data-bbox="710 477 1027 584">Criteria</th> <th data-bbox="1032 477 1337 584">Relative weighting % to be set by the Council</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 591 1027 808">Price (life cycle costs, cost effectiveness & price; price and running costs)</td> <td data-bbox="1032 591 1337 808">40%</td> </tr> <tr> <td data-bbox="710 815 1027 1066">Technical merit; coverage, network capacity and performance as specified in relevant service levels</td> <td data-bbox="1032 815 1337 1066">25%</td> </tr> <tr> <td data-bbox="710 1072 1027 1361">Help desk, account management function and assurance of supply of a range of devices and good value accessories</td> <td data-bbox="1032 1072 1337 1361">5%</td> </tr> <tr> <td data-bbox="710 1368 1027 1476">Environmental characteristics</td> <td data-bbox="1032 1368 1337 1476">0%</td> </tr> <tr> <td data-bbox="710 1482 1027 1733">Quality (including delivery time, sales service, good value, accessories, service fitness for purpose, social value)</td> <td data-bbox="1032 1482 1337 1733">30%</td> </tr> </tbody> </table>		Criteria	Relative weighting % to be set by the Council	Price (life cycle costs, cost effectiveness & price; price and running costs)	40%	Technical merit; coverage, network capacity and performance as specified in relevant service levels	25%	Help desk, account management function and assurance of supply of a range of devices and good value accessories	5%	Environmental characteristics	0%	Quality (including delivery time, sales service, good value, accessories, service fitness for purpose, social value)	30%
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(vii)	Any business risks associated with entering the contract.	No specific business risks are considered to be associated with entering into the Contract.													

Ref.	Requirement	Response
(viii)	The Council's Best Value duties.	For the reasons set out in Section 3, it is considered that Direct Award will result in the Council achieving best value.
(ix)	Consideration of Public Services (Social Value) Act 2012	Officers have had regard to the Public Services (Social Value) Act 2012.
(x)	Any staffing implications, including TUPE and pensions.	There are no implications for Council staff arising from the procurement.
(xi)	The relevant financial, legal and other considerations.	Financial – See Financial Considerations at Section 5.
		Legal – See Legal Consideration at Section 6.
		Other – N/A
(xii)	Sustainability	Given the nature and value of the Contract, it is not possible to include specific sustainability requirements.
(xiii)	Key Performance Indicators / Outcomes	Outcomes will be included in the Contract
(xiv)	London Living Wage	N/A
(xv)	Contract Management	A contract manager will be appointed, and appropriate contract management provisions will be included in the Contract.

7.0 Housing Services requirements

7.1 IT Systems & Data Management - Lack of integration of current IT systems has led to data management issues, including data silos and operational inefficiency of Housing services which negatively affects both staff and residents. Staff have expressed frustration with systems that hinder collaboration across teams and lead to delays and errors which result in complaints and dissatisfaction. The use of multiple IT systems makes tasks difficult and time consuming. Improving IT systems and data flow will enable essential housing operational efficiencies and correct allocation of staff resources.

7.2 Staff/ Resident/ Contractor communication - New IT functionality will enable increased reporting ability, leveraging data which can be utilised to achieve increased tenancy satisfaction measures. Tailored reporting and performance management of staff and contractor delivery will assist the Housing Service to build a continuous improvement culture where staff, contractors and residents communicate effectively and work collaboratively transforming how we deliver

services. Effective Contract Management of contracts can be delivered. The transformation of services leveraging data, improving collaboration and reviewing Housing Policy and procedures will deliver a fit for purpose Housing service which meets the requirements of the Social Housing Ombudsman and The Social Housing Regulator (Inspections are underway of Social Housing providers under the new regulatory regime of planned inspections of every social housing provider every 5 years).

7.3 Digital Services - Council residents have expressed concerns with the MY account digital platform, Improved self-service options will be made available to Housing residents, the move to increasing self-service options meets the Council strategic digital ambitions of creating efficiency and optimising resident engagement and communication. Improved transactions and communication with residents will positively influence the important tenancy satisfaction measures required to be reported to the Social Housing Regulator annually under the Social Housing Regulation Act 2024 The new IT platform will deliver increased communication methods of email and text message alongside traditional methods currently used by staff. This will enable increased communication by Housing teams with their residents. Routine tasks will be automated resulting in staff having increased time to manage their workload and priorities creating efficiencies.

7.4 Income Maximisation - It is necessary to implement IT improvements for the income service to enable operational efficiency for staff. Using multiple systems to deliver income services delays actions where early intervention is key to positive outcomes for residents. Income is an area of specialism where safeguarding vulnerable residents is crucial, increased availability of resident data and communication with residents will assist housing staff to tailor their approach. The new Housing Management structure delivers generic services to residents which makes staff efficiency more crucial. Given the number of tasks to be completed by tenancy managers completing Voids, Lettings, tenancy management and Income services it is important that time is maximised. The benefits of eradicating technical issues for staff will bring immeasurable benefits resulting in increased staff morale and efficiency. Increased staff engagement and involvement in drives to innovate and transform services supported by a Housing IT system which drives data at the heart of housing services.

8.0 Stakeholder and ward member consultation and engagement

8.1 There has been no consultation with third parties nor with ward members.

9.0 Financial Considerations

9.1 A two-year NEC contract including development and new Housing modules is anticipated to cost the Council £555,202 plus VAT, £308,880 plus VAT for the first year and £246,322 plus VAT for the second year. This includes a phased approach to delivering the project. The estimated phases of the project are as follows

- Phase 1 - May'25 to October'25 (6 months)
- Phase 2 - October'25 to August'26 (11 months)

9.2 The original price quoted for the development was initially £662k. Housing services have been able to negotiate a reduction of £107k to the accepted price of £555k.

9.3 The following payment terms have been included in the contract:

- £188,541 for Implementation, Onboarding and Expenses. Invoiced in advance of 1st May 2025
- £61,039 comprising of Phase 1 Implementation and Project Management, Onboarding and expenses. Invoiced in advance of 1st October 2025
- £59,300 including £13,200 pro rata for Engage Foundation (SaaS), £39,900 for Account Analytics (Licence Subscription) and £6,200 pro rata for Phase 1 Support and Maintenance. Invoiced in advance of 1st November 2025
- £121,800 for Software Licences. Invoiced in advance of 1st April 2026
- £38,800 including an annual Charge of £26,400 for Engage Foundation (SaaS) and an annual Charge of £12,400 for Phase 1 Support and Maintenance. Invoiced in advance of 1st May 2026
- £61,039 comprising of Phase 2 Implementation and Project Management, Onboarding and expenses Invoiced in advance of 1st August 2026
- £24,683 including £5,066.67 pro rata for Engage Repairs (SaaS), £6,666.67 pro rata for Repairs diagnostics (SaaS) and £12,950 pro rata for Phase 2 Support and Maintenance
- (Any additional site visits during the implementation will be charged at £150 + VAT per person)

9.4 The entire project is anticipated to achieve efficiency savings particularly around Income Collection and Repairs & Maintenance. Currently General Need Arrears are £8.1million and the collection rate stands at 96.07% at week 47 of the 2024/2025 financial year.

Financial Yr	Annual Debit	Collection Rate	Arrears Increase	Total Arrears
2022/23	£54m	95.79%	£2.2m	£4.8m
2023/24	£58m	97.87%	£1.8 m	£6.6m
2024/25	Current £59m	96.07%	£1.5m	£8.1m

- 9.5 Recent years have seen a significant drop in rent collection due to number of factors. Following the implementation of enhanced income capability, a new rent target of 98.8% could bring in additional income of £1.1m each financial year. In addition, new Housing modules and new IT functionality are anticipated to result in increased section 20 and efficient major works processes where income is maximised and collected.
- 9.6 It is therefore anticipated that the cost of the contract can be met from the efficiencies achieved by the new housing system functionality. The cost of the contract will be funded from the Housing Revenue Account.
- 9.7 Arrears analytics will provide an artificial intelligence tool which will focus Income officers on preventative early arrears intervention with an emphasis on support, whilst enabling a robust management of cases in legacy arrears. Residents will benefit from increased communication and information related to their rent accounts. Account analytics and enhanced performance management reporting will allow increased visibility of the overall and individual team member performance of income collection which is critical income to the Housing Revenue Account. Increased communication with residents will invoke a rent first culture which is important to achieving continued rent arrears reduction as income is maximised through supporting residents across all council services. Increased data can be used to tailor Council services and implement resources without delay limiting rent income losses.
- 9.8 Contract Management of Repairs & Maintenance / Voids / Planned Works - The development of Housing modules and addition of new IT functionality will result in new and improved ways to deliver robust contract management of the day-to-day repairs and maintenance service. On 1st April 2025 four contractors will deliver these services to Brent residents:
- Wates (West All works)
 - Mears (East Planned and Repairs and Maintenance)
 - Greyline (West Voids)
- 9.9 New methods of reporting and an effective financial reconciliation process will result in increased section 20 and efficient major works processes where income is maximised and collected. An additional benefit will be increased transparency and openness around service charge calculations. When the final additional module of Service Charging is implemented, NEC will provide an end to end financial process for calculations of service charges with proof of services provided and enhanced capability to answer all leasehold service queries.

10.0 Legal Considerations

- 10.1 The estimated value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the "PCR 2015") threshold for Services and Supplies (currently set at £214,904 (inclusive of VAT)) and the award of the Contract is therefore governed by the PCR 2015.

- 10.2 Officers recommend using the Crown Commercial Service's Framework Agreement RM6259 - Vertical Application Solutions to procure the Call-off Contract. The PCR 2015 allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full procurement process. Call offs under the framework agreement need to be carried out in accordance with the framework rules, to include using evaluation criteria specified in the framework agreement and utilising the terms and conditions set out in the framework agreement.
- 10.3 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where a call off under the framework agreement is approved by the relevant Corporate Director or Director and provided that the Corporate Director, Governance has advised that participation in the framework is legally permissible. The Corporate Director, Governance has confirmed that participation in the Framework Agreement RM6259 – Vertical Application Solutions is legally permissible.
- 10.4 The award of the Contract is subject to the Council's own Standing Orders in respect of Medium Value Contracts. The Corporate Director Partnerships, Housing and Resident Services has delegated power to award Medium Value Contracts in accordance with paragraph 9.5 of Part 3 of the Constitution.
- 10.5 Whilst the decision to award the contract would normally have been subject to call-in, as provided for in the Council's Constitution, this requirement has been waived in respect of this decision on the grounds of urgency, the details of which can be found in the accompanying urgency notice. As the procurement of the Contract is from a framework, there is no requirement for the Council to observe a 10-day standstill period under the PCR 2015. Subject to no challenge preventing award, Officers will communicate this to NEC and seek to implement the decision to award. A publication of the award on Contracts Finder will need to be placed on Contracts Finder within 90 calendar days after the contract award date in order to comply with transparency requirements.

11.0 Equity, Diversity & Inclusion (EDI) Considerations

- 11.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

- 11.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 11.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 11.4 There is no prescribed way the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.
- 11.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.
- 11.6 There are no health equalities implications.

12.0 Climate Change and Environmental Considerations

- 12.1 None.

13.0 Human Resources/Property Implications (if appropriate)

- 13.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from extending the contract.

14.0 Communication Considerations

- 14.1 None.

Report sign off:

Peter Gadsdon
Corporate Director of Partnerships Housing & Resident Services