

Options Appraisal



A. PROGRAMME SUMMARY INFORMATION

Programme Name:	Housing IT and Transformation		
Programme ID (if known):	21EN625		
Cabinet Member:	Tom Renhard	Lead Officer (Sponsor):	Stephen Peacock
Directorate(s):	Housing	Associated service areas:	
Report lead author(s):	Stewart McDermott		
Report recipients:	Niotia Ferguson, Michael Matic		

B. ORGANISATIONAL CONTEXT

Alignment to corporate theme(s):	Theme 2: Economy and Skills (Good Growth and Digital Inclusion) Theme 5: Homes and Communities Theme 7: Effective Development Organisation
Programme category:	<input type="checkbox"/> Saving delivery <input checked="" type="checkbox"/> Compliance / Statutory <input checked="" type="checkbox"/> Risk reduction <input type="checkbox"/> Cost avoidance <input checked="" type="checkbox"/> Improved outcomes <input checked="" type="checkbox"/> Enabling <Other>
Council Budget saving delivery:	NA – TBC within the full business case.

C. DOCUMENT CONTROL

Document status:	<input checked="" type="checkbox"/> Draft <input type="checkbox"/> Final		
Document owner:	Stewart McDermott		
Version control	Version	Author(s)	Description
	V00_01	Stewart McDermott	First draft

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EXECUTIVE SUMMARY

Options evaluation summary table – **excludes** probable savings from current BAU costs (options two and three).

OPTION EVALUATION MATRIX		PROS summary (will achieve outcomes/objectives/prioritisation criteria?)				CONS summary		Net Annual Ongoing £'000s <small>*If the net figure represents a cost, remove the brackets to indicate that this is a cost rather than a benefit</small>			
Preferred option	Option title	Outcome #1: New Strategic Housing System & tools	Outcome #2: Updated To-be business processes & practices	Outcome #3: New digital citizen facing service delivery	Outcome #4: Single, cleansed & accurate operational database	Risk level	Total New Costs (22/23) £'000s	FY 23/24	Ongoing costs (annual S&M)	Confidence level (%)	Equalities Impact
<input type="checkbox"/>	1 Do Nothing	N	Partial	N	N	H	£380,000	£694,000	£5,860,000	75%	Neutral
<input type="checkbox"/>	2 Direct Award to an Existing Supplier as a Single Supplier (Do Something)	Y	Y	Partial	Partial	M	£1,398,318	£3,950,714	£5,860,000	50%	Positive
<input checked="" type="checkbox"/>	3 Competitive Tender to Identify and Appoint a Preferred Single Supplier (Do Everything)	Y	Y	Y	Y	M	£1,398,318	£3,150,247	£4,411,052 est.	50%	Positive

Recommendation:

The Housing IT and Transformation Programme will be replacing all current housing systems as these approach end of life / end of support with single strategic platform, delivered with and supported by a single delivery partner.

Housing currently uses six main systems, from three suppliers, each with their own databases and reporting functions. This has led to inconsistency in data, in service provision and has led to significant functional gaps where the systems do not support current business processes. In addition, these systems range from seven to over 20 years old and all reside on physical BCC infrastructure rather than a flexible, cloud platform.

As a result, we will be delivering potentially significant levels of business change as well as the complex migration of several disparate systems and databases to a single platform, and suite of applications. This will include a new citizen facing, mobile / web application that supports our Digital First strategy and will enable our citizens to access multiple services quickly and easily.

With this in mind, we have considered three options with regard to a supplier of / delivery partner for the above:

1. *“Do nothing” – retain current aged systems and pay the current suppliers a premium to continue to support these.*
 - a. This is not viable as it will not address current issues, bridge known gaps, support Digital first or deliver the changes Housing needs to be fully productive.
 - b. In addition, a number of the current systems have component parts or are themselves reaching the end of manufacturer support (due to age). Such systems are only permissible within UK govt whilst replacements are being identified and introduced.
2. *“Do Something” – direct award to Civica, who currently supply four of the six main systems.*
 - a. In this example, Civica would use their latest product suite to replace / upgrade current Housing systems, moving them and our data to a cloud platform. This would include replacing non-Civica systems with the Civica alternative.
 - b. Whilst Civica remain a Top Five supplier of Housing systems, BCC has not always enjoyed a positive relationship with them: there are technical, support and contractual issues with the current systems which has left a less than positive impression with our staff. A direct award would not be seen as a positive step.
 - c. This option does not provide any assurance that we will be securing the best services at the best price point, without market testing.
 - d. This option would meet the corporate / IT strategy to engage a single delivery partner to deliver a single (technology) platform, reducing our service management, training and support burdens.
 - e. We will not be able to market test our requirements for reasonableness and achievability through this option.
 - f. Given the age and status of current systems, migration to the Civica cloud platform will be no less complex than migration to another supplier.
3. **“Do everything” – competitive procurement process to identify the best delivery partner for BCC, using an appropriate govt framework.**
 - a. In this example, we propose to use a competitive tender process, using a govt framework agreement, to identify the best possible delivery partner, who can provide the best possible services to BCC Housing, at the most advantageous price point.

- b. This will enable BCC to engage with multiple suppliers and identify the most appropriate delivery partner, with the best services at a competitive price point. Help BCC to understand what alternatives and options are available in the marketplace. We will be able to drive the agenda on our terms not those of the suppliers.
- c. In doing this, BCC will be able to market test our requirements for reasonableness and achievability, ensuring that the business need is fully formed and understood through challenge from and clarification sessions with potential suppliers. Compliance and regulatory requirements can be “baked in”, particularly when using an approved framework where suppliers will ensure meet legislative obligations by default. Also:
 - i. Due diligence: providing the best possible Value for Money outcome, by promoting competition between suppliers and drive costs in the form of price reductions, better service, higher quality products or other value adds. Future costs may not be lower than current, but future value and ROI will be higher.
 - ii. Commitment from the potential suppliers’ side for wanting to run the process formally and fairly: expecting their time and resources in exchange for the opportunity to put forward the best case for their services;
 - iii. Commitment from our side, by demonstrating our seriousness to the potential suppliers by investing time and resources in a formal process;
 - iv. Provides a comprehensive audit trail that shows review and selection processes, if challenged.
 - v. Helps maintaining an overall competitive marketplace for BCC services, with companies fighting for our business.
 - vi. Involving key stakeholders in the selection process to obtain their buy in and approval, simplifying the path to appointing a preferred supplier.
- d. This option would meet the corporate / IT strategy to engage a single delivery partner to deliver a single (technology) platform, reducing our service management, training and support burdens.

For the reasons set out above, we recommend Option Three (competitive procurement) as the preferred option for this programme

1. Programme SMART objectives

	Specific	Measureable	Timebound
1	New Housing systems platform, single operational database and updated business processes (“Future State”).	Delivery of business and technical requirements as defined in the BRD / NFR. Delivery of the business transformation change as identified in the As-Is to To-Be models and gap analysis. Alignment to relevant BCC strategy, e.g. Digital First.	By end of contract for current systems, currently May-24.
2	Identification and appointment of a single delivery partner, for the above and using a single, modular technology platform.	Through a competitive procurement process, using an appropriate govt framework.	By Oct-22.

2. Options Evaluation Criteria

Criteria	Weighting (if applied)
1. Meets Programme objectives	100%

3. Options Long List

Option title	Option description	Shortlisted (Y/N)	Reason discounted (For non-shortlisted options only)
1. Do Nothing	Retain current suppliers and systems	N	Current systems are non-compliant, end of life / end of support in 2024.
2. Do Something	Direct award to Civica	N	Fails to establish that Civica are the most appropriate supplier with the best services, at the best price point (Value For Money).
3. Do Everything	Competitive procurement to identify preferred delivery partner, using a government framework.	Y	Will identify the best services, best supplier at the best price point, to deliver new systems and associated business transformation. Baseline route to market for high value contracts such as this.

4. Options short-listed for evaluation

Option 1: Retain current Civica / Salesforce / CDP systems and extend support where possible: “Do Nothing”	
Description	Continue to use current technology, no business transformation or move to To-Be future state. Zero benefits.
Pros / Benefits	<p><i>Confidence Level – 0%. Current systems are not able to support the business, contain elements which should not be used by government and cannot deliver our current regulatory needs.</i></p> <p>This would see BCC retain its current housing systems, look to extended support for these beyond 2024 and either heavily customise these to support the business functions or accept and retain the current shortcomings.</p> <p>This is not a viable option for BCC Housing for the following reasons:</p> <ol style="list-style-type: none"> a. Current systems do not support the As-Is business process and have critical functional shortcomings that current technology cannot address; b. Current systems and technologies are reaching End of Life in 2024; c. Some component parts of current systems and technologies have reached end of life, are out of manufacturer support and should not be used by local or central government organisation; d. The current systems are not compliant with govt regulations etc. For example, building compliance changes post-Grenfell could not be accommodated and resulted in more manual workarounds. e. Current databases and data underpinning the above are separate, fragmented and unable to provide us with a “single version of the truth”. These combine to form a critical data quality and integrity challenge for BCC; f. Current systems and technologies do not support the IT Strategy, especially Digital First and are unable of doing so. <p>This would not be a simple or Low-Cost option as key elements of the current systems cannot be (fully) supported or integrated. Business needs would not be met, frustrations would persist, and productivity would continue to be impacted by workarounds etc.</p> <p>There would be tangible non-benefits to this Option (e.g. skilled and experienced staff leave / move to non-Housing BCC roles, exponential increase in support costs for fragmented systems and data quality). The impact on housing staff morale should also be considered as well as the reputational risk for BCC, as it’s service provision to tenants falls behind what is offered by other similar organisations.</p> <p>This would be the lowest immediate cost option, but only in the short term: replacing outdated systems and updating old business</p>

	<p>processes will only be more expensive in longer term.</p> <p>No saving would be delivered by this approach and given the issues presented above, we would not consider this to be viable option for BCC.</p> <p>As the current programme would cease if this Option were to be adopted, the identified business requirements and opportunity for increased productivity etc. via business change opportunities would <u>not</u> be delivered.</p>
Cons / Risks	<ol style="list-style-type: none"> 1. Current systems have functional gaps that require lengthy, manual, high cost – low value workarounds in order for Housing to deliver prescribed services to tenants (e.g. involving phone calls, emails, spreadsheets and 2x systems: we have evidenced that up to date systems and processes could eliminate these. 2. Ongoing performance issues and SLA shortfalls with the current systems and supplier will continue. 3. Current systems are not fully interlinked, due to differences in age and supplier. This causes data inconsistency and inaccuracy which contributes to (1) above. 4. All Housing systems reach end of support in May-24, critical maintenance app reaches this point in Oct-23. 5. All Housing systems reach end of life in May-24, except Cx but only if it is migrated to the new Civica cloud platform. Migration of one system to this is not possible. 6. Most Housing systems use component parts which have or will reach end of manufacturer support by May-24, such as Microsoft Silverlight. Continued use of these by UK govt organisations is only permitted whilst a suitable replacement is sought. 7. Business confidence in current systems is very low, affecting morale and productivity. 8. Current systems do not support BCC business and IT strategy e.g. Digital First, and cannot do so.
Timescale to deliver	NA – no change involved.
Costs	NA – no change involved.
Cashable benefits	None – no change involved.
Funding source(s)	NA – no change involved.
Equalities Impact	NA – no change involved.

Option 2: Direct Award to an Existing Supplier and migrate to their new Housing Technology platform: “Do Something”

Description	Award a new five year contract for technology and support to Civica, complying them to meet our business and technical requirements wherever possible.
Pros / Benefits	<p><u>Confidence level – 50%.</u></p> <p><i>Uplifting to the new Civica cloud-based application platform would possibly meet our business and technical requirements. However it is impossible to clarify this without market testing or a similar detailed evaluation.</i></p> <p><i>This option would be partially support of business change / transformation as the current supplier does not include delivery of this in the Agreement we have or within their current scope of works. In addition, the systems that they currently supply, and support are not viewed in the most positive light by our staff.</i></p> <p><i>This option could enable Housing to align its technology to the BCC corporate IT strategy – single supplier, single solution platform, cloud-based and digital first.⁶</i></p> <p>This would see BCC retain its current majority supplier for housing systems and migrate several non-Civica systems to their equivalents within this platform as well as still needing to complete key business and technical projects alongside this, as part of delivery. For example, data cleansing, reporting, digital tenant platform but not To-Be business change.</p> <p>Please Note: we would welcome Civica or Salesforce (but not a combination) as the Preferred Supplier if they had been awarded this following a competitive procurement. This would provide assurance to the programme, our stakeholders and the wider business that the best supplier had been selected to meet our needs.</p> <p><u>Advantages:</u></p> <p>The advantages of a direct award to Civica would be as follows:</p> <ol style="list-style-type: none"> i. Market leading supplier – we have engaged with Civica as part of our soft market testing in 2021 and our pre-procurement, solution investigation activities in 2022 because they are one of the largest suppliers of technology solutions to UK local government. They have proven services in use with Housing departments of comparable local authorities and housing associations, over 10 at time of writing. ii. Procurement – we would save the costs associated with a competitive tender process. These are not significant (less than £50k) when

	<p>compared to the benefits of challenging and testing a supplier’s proposed solution, and the Risk of not doing so (e.g. transporting existing issues to the new system).</p> <p>iii. Customer knowledge – Civica are aware of issues and pain points related to the existing Housing systems and may be able to resolve these more quickly than a new supplier. However, they would face the same issues as a new supplier in integrating disparate systems to one platform, data cleansing and migration and (new) digital services.</p> <p>We are concerned that adopting this option could lead to a large amount of “bolt on” functionality, with a need for more interfaces and customisation. Also that this would tie BCC into a long-term agreement with a supplier whose proposed services have not been thoroughly market tested via a competitive tender process.</p> <p>Should Civica emerge from this as the winner of our procurement exercise, we would have no issue recommending them as the preferred supplier. This would confirm that Civica had demonstrated their capability to work with us to deliver both transformative change and the strategic technology platform that Housing requires to support our future state.</p>
<p>Cons / Risks</p>	<p><u>Business Change and Transformation: potential drawbacks</u></p> <p>In addition to the above, it would be much more difficult to deliver the business change needed to move to our preferred To-Be model(s). In order to do this, the programme would need to continue in its current form but with more focus on ensuring that the uplift was focused on value-based change as much as new technology. This would be at least as complex as the introduction of a new system / new supplier and requires as much time, effort and cost as these. This would also define the approach, if Civica were to the proposed competitive procurement.</p> <p><u>Disadvantages:</u></p> <p>The current agreement with Civica does not cover a number of the initiatives and projects within current scope for the programme.</p> <p>This is an option that could be considered as Secondary, but not Preferred for the following reasons:</p> <ul style="list-style-type: none"> a. We would be trusting an existing supplier to deliver new services, without any market testing or the robust due diligence that a procurement would give. b. Non-Civica systems and business functions would need to integrate to scope and solution / service. The current systems are not a cloud-based service, but are ‘old world’, on-premise, installed on BCC infrastructure systems. The challenge of migrating to a cloud-based service will be a significant activity for the programme, irrespective of supplier and include: <ul style="list-style-type: none"> i. Data cleansing and migration of multiple data sources to a single operational database.

	<ul style="list-style-type: none"> ii. Comprehensive reporting solution – fixed reports, dashboards and ad hoc reporting. iii. Digital portals – forms and processes. iv. CLICK (Salesforce maintenance system) – own front end and dedicated database etc. v. CDPSOft – specific and separate case management system for Housing Needs (and others) vi. APP (Civica, but widely used outside of Housing) – case management system for Reg Services, CSC and Housing Management (private landlords only). <ul style="list-style-type: none"> c. Digital front-end apps and portals are not part of the current service provision and are new to BCC. <ul style="list-style-type: none"> i. This would require a new completely new agreement for new service. ii. No cost or time would be saved via a direct as this is a new, “standing start” project. d. Business change scope would not change and may become more difficult to deliver. <ul style="list-style-type: none"> i. Civica systems do not currently enjoy the confidence of the staff who use them. Whilst this is not strictly fair, as BCC did not choose a unified approach in 2015, the poor impression of Civica remains a hurdle. ii. Civica does not include the delivery partner activities needed, as part of the current agreement. e. We would not test the market or identify alternatives solutions and partners. <ul style="list-style-type: none"> i. Our needs will not be tested by market, and we run the Risk of customising a solution that may not be the best fit with associated cost and time concerns. ii. It is highly likely that we would not achieve Value for Money as cost comparison and bench marking would not be possible. f. Some applications and systems are nominally at a current / more recent level than their go-live data would suggest, however: <ul style="list-style-type: none"> i. BCC Housing technology is still in silos and running on physical servers in a data centre; ii. This limits functionality and our ability to improve the current offering significantly. iii. Therefore... g. Migration to new Cloud Platform would be complex and time consuming <ul style="list-style-type: none"> i. Any new solution carries this Risk, and it would not be mitigated by a direct award. ii. Current Civica and Salesforce systems are disparate and installed in BCC data centres – it’s highly unlikely that we would save any system migration time / cost, if we move straight to the Civica cloud. h. Contract re-negotiation would consume time planned for procurement. <ul style="list-style-type: none"> i. Current two-year agreement does not cover design / build / test costs for the strategic solution we require. ii. Time saving framework agreement option not available. iii. Some new licensing is included but not for the business-critical Digital outcomes or for aligned systems such as CDPSOft etc. iv. A completely new Agreement would be required, as part of a Direct Award.
Timescale	Approx. 24m from award

to deliver																																																																																																																																																																								
Costs	<p>Includes optimism bias (20%) for Y0 and Y1. As a direct award, potential savings from removal of current Housing systems (approx. £3.4M) costs are not included in the table below:</p> <table border="1"> <thead> <tr> <th></th> <th>Y1 21/22</th> <th>Yr 2 22/23</th> <th>Yr 3 23/24</th> <th>Yr 3 23/24</th> <th>Yr 4 24/25</th> <th>Yr 5 25/26</th> <th>Yr 6 26/27</th> <th>Yr 7 27/28</th> </tr> </thead> <tbody> <tr> <td>New costs</td> <td>£0</td> <td>£1,398,000</td> <td>£3,951,000</td> <td>£1,245,000</td> <td>£1,173,000</td> <td>£1,173,000</td> <td>£1,173,000</td> <td>£1,173,000</td> </tr> <tr> <td>Opportunity costs</td> <td>£0</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> </tr> <tr> <td>Ongoing dis-benefit</td> <td>£0</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> </tr> <tr> <td>Total</td> <td>£0</td> <td>£1,816,000</td> <td>£3,951,000</td> <td>£1,245,000</td> <td>£1,176,000</td> <td>£1,173,000</td> <td>£1,173,000</td> <td>£1,173,000</td> </tr> </tbody> </table> <p>Current supplier costs and BCC resource rate cards were used to construct the above.</p> <p>Full costs, including expected / potential savings:</p> <table border="1"> <thead> <tr> <th colspan="12">Total Project Financial Summary: Estimated Costs for secondary option (Direct Award)</th> </tr> <tr> <th>£'000s</th> <th>1 21/22</th> <th>2 22/23</th> <th>3 23/24</th> <th>4 24/25</th> <th>5 25/26</th> <th>6 26/27</th> <th>7 27/28</th> <th>8 28/29</th> <th>9 yy/yy</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total new/chargeable costs</td> <td>£ -</td> <td>£ 1,165</td> <td>£ 3,292</td> <td>£ 73</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ 4,530</td> </tr> <tr> <td>One-off contingency (tolerance)</td> <td>£ -</td> <td>£ 233</td> <td>£ 658</td> <td>£ -</td> <td>£ 3</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ 894</td> </tr> <tr> <td>Total opportunity/non-chargeable costs</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> </tr> <tr> <td>One-off costs</td> <td>£ -</td> <td>£ 1,398</td> <td>£ 3,951</td> <td>£ 73</td> <td>£ 3</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ 5,424</td> </tr> <tr> <td>Current Housing IT Support costs (from 21/22)</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ -</td> <td>£ 5,865</td> </tr> <tr> <td>Gross savings (incl. contingency)</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> </tr> <tr> <td>Ongoing</td> <td>£ -</td> <td>£ -</td> <td>£ -</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ -</td> <td>£ 5,865</td> </tr> <tr> <td>Net total</td> <td>£ -</td> <td>£ 1,398</td> <td>£ 3,951</td> <td>£ 1,245</td> <td>£ 1,176</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ 1,173</td> <td>£ -</td> <td>£ 11,289</td> </tr> <tr> <td>Cumulative net total</td> <td>£ -</td> <td>£ 1,398</td> <td>£ 5,349</td> <td>£ 6,594</td> <td>£ 7,770</td> <td>£ 8,943</td> <td>£ 10,116</td> <td>£ 11,289</td> <td>£ 11,289</td> <td></td> </tr> </tbody> </table> <p style="text-align: right;">Check TRUE</p>		Y1 21/22	Yr 2 22/23	Yr 3 23/24	Yr 3 23/24	Yr 4 24/25	Yr 5 25/26	Yr 6 26/27	Yr 7 27/28	New costs	£0	£1,398,000	£3,951,000	£1,245,000	£1,173,000	£1,173,000	£1,173,000	£1,173,000	Opportunity costs	£0	'000	'000	'000	'000	'000	'000	'000	Ongoing dis-benefit	£0	'000	'000	'000	'000	'000	'000	'000	Total	£0	£1,816,000	£3,951,000	£1,245,000	£1,176,000	£1,173,000	£1,173,000	£1,173,000	Total Project Financial Summary: Estimated Costs for secondary option (Direct Award)												£'000s	1 21/22	2 22/23	3 23/24	4 24/25	5 25/26	6 26/27	7 27/28	8 28/29	9 yy/yy	Total	Total new/chargeable costs	£ -	£ 1,165	£ 3,292	£ 73	£ -	£ -	£ -	£ -	£ -	£ 4,530	One-off contingency (tolerance)	£ -	£ 233	£ 658	£ -	£ 3	£ -	£ -	£ -	£ -	£ 894	Total opportunity/non-chargeable costs	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	One-off costs	£ -	£ 1,398	£ 3,951	£ 73	£ 3	£ -	£ -	£ -	£ -	£ 5,424	Current Housing IT Support costs (from 21/22)	£ -	£ -	£ -	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ -	£ 5,865	Gross savings (incl. contingency)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	Ongoing	£ -	£ -	£ -	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ -	£ 5,865	Net total	£ -	£ 1,398	£ 3,951	£ 1,245	£ 1,176	£ 1,173	£ 1,173	£ 1,173	£ -	£ 11,289	Cumulative net total	£ -	£ 1,398	£ 5,349	£ 6,594	£ 7,770	£ 8,943	£ 10,116	£ 11,289	£ 11,289	
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One-off costs	£ -	£ 1,398	£ 3,951	£ 73	£ 3	£ -	£ -	£ -	£ -	£ 5,424																																																																																																																																																														
Current Housing IT Support costs (from 21/22)	£ -	£ -	£ -	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ -	£ 5,865																																																																																																																																																														
Gross savings (incl. contingency)	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -																																																																																																																																																														
Ongoing	£ -	£ -	£ -	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ 1,173	£ -	£ 5,865																																																																																																																																																														
Net total	£ -	£ 1,398	£ 3,951	£ 1,245	£ 1,176	£ 1,173	£ 1,173	£ 1,173	£ -	£ 11,289																																																																																																																																																														
Cumulative net total	£ -	£ 1,398	£ 5,349	£ 6,594	£ 7,770	£ 8,943	£ 10,116	£ 11,289	£ 11,289																																																																																																																																																															
Cashable benefits	NA – no change at present. Benefits will be defined in the full business case.																																																																																																																																																																							
Funding source(s)	Assumes Housing Revenue (80%), General Fund (20%) – TBC by Finance within the full business case.																																																																																																																																																																							
Equalities Impact	Assessment is here and was approved in Dec-21. This will be reviewed and re-approved when the preferred supplier is known.																																																																																																																																																																							

Option 3: Competitive Tender to identify a and appoint a Preferred Supplier: “Do Everything”

Description	Conduct a full competitive procurement using an existing government services framework, which includes pre-qualified suppliers only. Pre-qualification will be a demonstrable ability to deliver the services required and two references, where similar services have been delivered to a UK social housing provider (at least one local or central govt housing client).
Pros / Benefits	<p><i>Confidence level – 75%. This option would enable us to market test both our requirements and a variety of services and technology available from industry leading suppliers. At the same time, we will carry out a deep dive analysis and assessment of our future business need, using this to define our To-Be business process model and identify the scale of change needed to deliver this.</i></p> <p><i>In this way, we will design and construct the most effective service delivery model for BCC, as well as delivering the new technology needed to support this. This will ensure that at the completion of the programme, BCC Housing service delivery is as effective as it can be and delivers the most appropriate services to Bristol citizens in the best possible way, using most productive processes, people and technology.</i></p> <p><i>Market testing via a competitive procurement also means that we can be confident that these are delivered at the best price point and adhere to the UK government tenet of Value For Money. The information we garner as part of the procurement will enable us to compile a comprehensive, full business case, with a range of costed options encompassing system and business change.</i></p> <p><i>This Option represents our best method of achieving the above and aligning Housing directly with BCC business and IT strategies including strategic supplier / partner, single solution platform, cloud-based systems and Digital First as well as compliance and moving our processes to industry / sector best practice. Competitive procurements are the baseline route to market for high value contracts such as this.</i></p> <p>This Option, which we recommend, would see BCC completing a thorough assessment of its business and user needs, identifying and then delivering both the new technology and change needed to realise these.</p> <p>To achieve this, we propose the following:</p> <ol style="list-style-type: none"> i. Analyse the As-Is business processes and document business requirements such that current functional and process gaps identified can be resolved; ii. As part of the above, document and analyse technical requirements that would support the future business process model (To-Be) and

- ensure that any business needs and requirements can be met.
- iii. With our business users / SMEs, and through contact with our user groups, ensure that the business process change, and new technology supports the needs of Housing tenants and the citizens of Bristol (To-Be);
 - iv. Ensure that new technology and Housing service delivery is fully aligned to and supports BCC IT and business strategies, including Digital First;
 - v. Ensure that both processes and supporting systems adhere to the core tenets:
 - a. Stable – highly performant systems, that require minimal maintenance and have a route map in place to deliver future benefits and improvements;
 - b. Scalable – technology and processes that can adapt to changing business and tenant needs, with zero customisation. Able to easily adapt to growing and changing Housing needs, internally and in direct support of new and emerging citizen
 - c. Secure – ensure that technology is secure, does not include any vulnerabilities and meets all applicable standards to ensure that our citizen and staff data is secure. Support our security strategy and be able to maintain a strict routine of regular vulnerability checks. Comply with all applicable UK government legislation and compliance standards.
 - d. Value For Money – deliver fit for purpose service delivery processes and supporting systems, applications and data at the best possible price point, through competitive tender and rigorous negotiation. Put in place a single point of contact service management process, for ongoing (preferred) supplier interaction throughout the life of the Agreement.
 - vi. Detail and then deliver the business change journey needed to transform both Housing processes and its systems, through replacement of outdated and reductant / end of life technology and introduction of appropriate replacements supporting fit for purpose, client-centric service delivery processes.

The key difference between this and Option Two is the inclusion of a competitive procurement exercise. We do not believe that this will increase our costs in relation to a direct award, as the additional Due Diligence and Change Management effort needed for Option One equates to the time and resources needed to conduct a procurement exercise.

In addition, we believe that this option, will enable us to identify the supplier that will be most able to work with us to deliver our business transformation opportunities with an equal focus that of any new technology.

Savings related to transformation will be fully documented in the full business case, which points (i) and (ii) above are expected to identify.

Competitive Procurement

The type of solution to competitive tendering will vary depending on several factors. These factors may include; the type of industry, the complexity of the product, the price of the purchase, whether the purchase is a one-off or a long-term supply relationship. We are currently

working with our Procurement Manager and the wider team to define the best approach and most suitable government framework for BCC.

In advance of this, we have:

1. Conducted thorough research of the purchasing requirement and/or alternatives.
 - a. Evaluated extension and Direct Award options, to current suppliers as summarised in this document.
 - b. We carried out thorough Soft Market testing in 2021, reviewing existing and potential solutions and services;
 - c. We have conducted a second, solution and supplier investigation and evaluation exercise in 2022. In this, we have met with the Top Five supplies in our sector, discussed requirements and evaluated potential solutions to these.

In doing this, we have instigated beneficial open communications with current and potential suppliers. This will support us building relationships with these potential partners, where our future purchasing decision will be based on a strong relationship of trust. Developing a long-term and healthy relationship with a reputable supplier will be fundamental to the success of the programme.

Known advantages of competitive tendering

We expect that a formal, competitive procurement will have the following benefits for BCC:

1. Due diligence: providing the best possible Value for Money outcome, by promoting competition between suppliers;
2. Drive costs: in the form of price reductions, better service, higher quality products or other value adds. Future costs may not be lower than current, but future value and ROI will be higher;
3. Compliance and regulatory requirements can be “baked in”, particularly if using an approved framework and means suppliers help us to meet legislative obligations, by default;
4. Helping our organisation to understand what alternatives and options are available in the marketplace;
5. Keeping any current supplier on their toes;
6. Being able to drive the agenda on our terms not those of the suppliers;
7. Involving key stakeholders in the selection process to obtain their buy in and approval, simplifying the path to appointing a preferred supplier;
8. Commitment from the potential suppliers’ side for wanting to run the process formally and fairly: expecting their time and resources in exchange for the opportunity to put forward the best case for their services;
9. Commitment from our side, by demonstrating our seriousness to the potential suppliers by investing time and resources in a formal process;
10. Provides a comprehensive audit trail that shows review and selection processes, if challenged.

	<p>11. Helps maintaining an overall competitive marketplace for BCC services, with companies fighting for our business.</p> <p>And in addition:</p> <p>13. Market tests our business and technical requirements and our future state aspirations (To-Be) for reasonableness and achievability, versus the current market for services and technology;</p> <p>14. Ensures that the business need is fully formed and understood through challenge from and clarification sessions with potential suppliers.</p> <p>Though use of a formal procurement process, whose transparency that mitigates favouritism and corruption, and adheres to BCC social values.</p>																											
<p>Cons / Risks</p>	<p><u>Disadvantages:</u></p> <ol style="list-style-type: none"> 1. Time and complexity – completing a procurement of this size and complexity may take longer / cost more than planned. 2. Time: there is a Risk that we may be able to deliver all new systems and associated change by May-24. Mitigation: delivery will be staged and prioritised, additional extension with Civica agreed in principle. 3. Cost: there is Risk that current requested budget may be insufficient to deliver the full programme deliverables / benefits: Mitigation: our research indicates that the cost spread gives a reasonable expectation of costs and tangible benefits. These will be fully qualified in the FBC, post-procurement. 4. Quality: there is a Risk that the preferred supplier may not be able to deliver all technology and services to expected levels of quality. Mitigation: all requirements will be contractual deliverables with associated milestone payments, contract will include SLA provide compensation for missed targets, liquidated damages (where these impact other activities) will also be included. Delivery plan will also form part of our contract with the supplier. 																											
<p>Timescale to deliver</p>	<p>Approx. 24m from commencement of procurement</p>																											
<p>Costs</p>	<p>Includes optimism bias (20%) for Y0 and Y1. Savings from removal of current Housing systems (approx. £3.4M) costs are not included in the table below:</p> <table border="1" data-bbox="309 1278 1417 1382"> <thead> <tr> <th></th> <th>Yr 1 21/22</th> <th>Yr 2 22/23</th> <th>Yr 3 23/24</th> <th>Yr 4 24/25</th> <th>Yr 5 25/26</th> <th>Yr 6 26/27</th> <th>Yr 7 27/28</th> <th>Yr 8 28/29</th> </tr> </thead> <tbody> <tr> <td>New costs</td> <td>£0</td> <td>£1,398,000</td> <td>£3,150,000</td> <td>£882,000</td> <td>£882,000</td> <td>£882,000</td> <td>£882,000</td> <td>£,000</td> </tr> <tr> <td>Opportunity</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> <td>'000</td> </tr> </tbody> </table>		Yr 1 21/22	Yr 2 22/23	Yr 3 23/24	Yr 4 24/25	Yr 5 25/26	Yr 6 26/27	Yr 7 27/28	Yr 8 28/29	New costs	£0	£1,398,000	£3,150,000	£882,000	£882,000	£882,000	£882,000	£,000	Opportunity	'000	'000	'000	'000	'000	'000	'000	'000
	Yr 1 21/22	Yr 2 22/23	Yr 3 23/24	Yr 4 24/25	Yr 5 25/26	Yr 6 26/27	Yr 7 27/28	Yr 8 28/29																				
New costs	£0	£1,398,000	£3,150,000	£882,000	£882,000	£882,000	£882,000	£,000																				
Opportunity	'000	'000	'000	'000	'000	'000	'000	'000																				

costs									
Ongoing dis-benefit	-	'000	'000	'000	'000	'000	'000	'000	
Total	£0	£1,398,000	£3,150,000	£882,000	£882,000	£882,000	£882,000	£882,000	£441,000

We have used Microsoft license and resource costs to construct the above, based on the model used for CRM and Lessons Learned from that programme. BCC costs use current rate cards.

Full costs, including expected / potential savings:

Total Project Financial Summary: Estimated Costs for primary preferred option										
£'000s	1	2	3	4	5	6	7	8	9	Total
	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	yy/yy	
Total new/ chargeable costs	£ -	£ 1,165	£ 2,625	£ 73	£ -	£ -	£ -	£ -	£ -	£ 3,863
One-off contingency (tolerance)	£ -	£ 233	£ 525	£ -	£ -	£ -	£ -	£ -	£ -	£ 758
Total opportunity/ non-chargeable costs	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
One-off costs	£ -	£ 1,398	£ 3,150	£ 73	£ -	£ -	£ -	£ -	£ -	£ 4,621
Ongoing costs (incl. contingency)	£ -	£ -	£ 441	£ 882	£ 882	£ 883	£ 883	£ 441	£ -	£ 4,411
Funding already available	£ -	£ -	£ 383	£ 766	£ 766	£ 766	£ 766	£ 383	£ -	£ 3,830
Ongoing	£ -	£ -	£ 58	£ 116	£ 116	£ 117	£ 117	£ 58	£ -	£ 581
Net total	£ -	£ 1,398	£ 3,209	£ 188	£ 116	£ 117	£ 117	£ 58	£ -	£ 5,202
Cumulative net total	£ -	£ 1,398	£ 4,607	£ 4,795	£ 4,911	£ 5,027	£ 5,144	£ 5,202	£ 5,202	

Check TRUE

Cashable benefits	NA – no change at present. Benefits will be defined in the full business case. NA – no change. Assessment
Funding source(s)	Assumes Housing Revenue (80%), General Fund (20%) – TBC by Finance within the full business case.
Equalities Impact	Assessment is here and was approved in Dec-21. This will be reviewed and re-approved when the preferred supplier is known.

5. Detail of key stakeholder engagement

Key stakeholder	Date(s) of key engagement	Options preference
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Cabinet Member Tom Renhard	05/04/2022	Option Three
Exec Director: Stephen Peacock	20/04/2022	Option Three
SRO: Donald Graham	20/04/2022	Option Three

6. Document sign

	Job Title	Date circulated
Niota Ferguson	Interim Head of Strategic Procurement & Supplier Relations Service	03/05/2022
Michael Matic	Procurement Category Specialist	03/05/2022

Decision making authority	CLB (10/5/22) Cabinet (7/6/22)
Date seeking endorsement	10/05/2022