

Report to: Housing Review Board



Date of Meeting 16<sup>th</sup> September 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Housing Management System Upgrade

### Report summary:

The East Devon District Council Housing Service are currently investigating options to upgrade their Housing management system, Capita's Open Housing, to its latest version branded as "One Housing".

This paper sets out the context and considerations for the options being explored.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

- (1) That Housing Review Board note the current investigation of upgrade options for the Council's Housing Management IT System.
- (2) That Housing Review Board note the potential for a budget request once the outcome and costs of the final recommendation are known.

### Reason for recommendation:

Upgrades to East Devon's Housing management system will support services required under the Social Housing White Paper 2021 and the Building Safety Bill 2021. Costs have previously been unknown however the vendor is developing a costed proposal based upon the outcome of discovery workshops held with the Housing and Systems teams.

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### Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

**Equalities impact** Low Impact

## **Climate change** Low Impact

**Risk:** Medium Risk; Costs and the full upgrade / implementation details are as yet unknown pending a detailed and costed proposal from the system supplier.

**Links to background information** n/a

**Link to [Council Plan](#):**

Priorities (check which apply)

- Outstanding Place and Environment
  - Outstanding Homes and Communities
  - Outstanding Economic Growth, Productivity, and Prosperity
  - Outstanding Council and Council Services
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## **Financial implications:**

Some indicative costs have been provided in the report and as the recommendation suggests further financial information and budget requests will be forthcoming once more detail is known. There is currently no budget allocated for a system upgrade, however, £36k was provided for for capita consultancy expectations.

Other than financial outlay the prime implication requiring consideration is that the system must be able to be utilised as a financial appraisal tool for each individual asset and the portfolio as a whole. Historically and currently the large majority of expenditure outside of the asset management contract is not allocated to individual assets, which it needs to be to inform the Asset Management Strategy.

## **Legal implications:**

There are no legal implications requiring comment.

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## **Report in full**

### **Background and Context: Open Housing**

1. The Housing Service of East Devon District Council uses the Capita “Open Housing” housing management IT system to provide comprehensive management and maintenance of its housing stock, estates, and tenancies, comprising over 4,200 rentable dwellings, over 700 garages, 160 leasehold (sold) apartments, and numerous other property assets.
2. The Open Housing system has been operational at East Devon from February 2016, replacing a patchwork of smaller 3<sup>rd</sup> party systems, Access databases, spreadsheets, and a legacy in-house Housing system.
3. The Open Housing system was procured through an OJEU competitive tender process, resulting in a contract award to Capita in December 2013 on a perpetual licence basis and for a minimum contract term of 5 years.

### **The Next Evolution: One Housing**

4. To maintain a competitive advantage and keep pace with business and market developments, Capita operate a regular programme of minor patch, and larger upgrade, updates to the Open Housing system. The latest of these upgrades, whilst maintaining the back-end database structures and core functionality of the system, refreshes the user interface (the part of the system that staff see on their screens) so that instead of being presented as a traditional Windows application, the system is instead accessed and

presented through a web browser. This modern presentation fits well with today's working practices where staff routinely work flexibly or remotely out of the office, and Capita are using this opportunity of a fresh look and feel to re-badge their product in-line with Capita's corporate "One" branding. As such the new name for Capita's upgraded Housing system is "One Housing".

5. Capita's refresh of their Housing and Assets suites started with the refresh of Open Assets, now branded as One Assets, in December last year, and an initial launch of One Housing v1 in April this year (Version 1 catering primarily for homelessness and allocations). One Housing v2, completing the refresh of the Open Housing suite, is due for first release in September this year. It is therefore Version 2 that is a viable upgrade for the breadth of functionality that East Devon use within the current Open Housing system.
6. For reasons of resource capacity and economics, it is common for system vendors to encourage their customers to upgrade so that older versions and technologies can be retired, for example typical support terms being "current version minus 1", and Capita employ a similar strategy.
7. Capita initially advertised de-support dates for the "Open Housing" version of their system of 31<sup>st</sup> March 2022, with the option of extended (paid-for) support being available until 31<sup>st</sup> March 2023. However due to the logistics of upgrading the number of clients that Capita have, Capita have recently revised these dates to 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2026 respectively.
8. Benefits to East Devon of the improved One Housing and One Assets include:
  - i. Capability for improved flexible and mobile access to the system for staff.
  - ii. Improved Direct Debit processes, providing greater payment flexibility for tenants and streamlined admin processes for staff.
  - iii. Improved tenant engagement, participation, and surveying capability – a requirement under the Social Housing White Paper 2021.
  - iv. Enhancements to the Tenant Portal online 24/7 self-service facility including the improved survey and direct debit services.
  - v. Stock Condition and Compliance Manager modules enabling improved processes, governance, and performance information – requirements of the Building Safety Bill 2021.
  - vi. Remaining within contractual system support terms with Capita.
  - vii. There is possibility One Assets may prove useful to East Devon's corporate Property & Estates service too, and therefore colleagues from this service area have been invited to the planned system demos for their evaluation and consideration also.

## **The Route to One Housing**

9. The move to One Housing and One Assets is a chargeable upgrade from Capita. East Devon hold a perpetual licence agreement for Open Housing, and so costs for One Housing are solely implementation consultancy costs. East Devon do not currently use Open Assets, and so costs for One Assets – required to meet our obligations under the Building Safety Bill 2021 – will include a one-time licence fee and implementation consultancy.
10. The upgrade process will require the building of new IT servers onto which the new version of the software can be installed and configured, followed by a data migration to these new servers from the old Open Housing system. This provides a safe means of configuring and testing the upgraded system whilst not interrupting service provision. Final switch over only being made once all aspects have been tested and signed off.

11. The breadth and sophistication of a Housing management system mean this changeover is not a quick task and needs to be planned. However East Devon are keen to explore options for utilising new Stock Condition and Compliance Manager functionality early – ie before the wider move to One Housing / One Assets – in order to kick-start these work streams under the Building Safety Bill.
12. East Devon will bring a further recommendation paper to HRB after a costed proposal has been received from Capita, expected around end of August 2021, and full demos and appraisal of the new version have been undertaken – demos are currently pencilled for 13<sup>th</sup> and 14<sup>th</sup> October 2021.
13. Projected upgrade costs from Capita have been previously unknown due to the bespoke nature and configuration of each customer’s installation, however preliminary discovery work has now been undertaken by Capita. The anticipated elements of the Capita proposal and their indicative costs or benefits where known are shown below:

Item	Comments	Indicative Cost / Benefit
i. One Housing	Upgrade of current Open Housing modules into One Housing and review and refresh of all East Devon “Custom Code” to ensure bespoke East Devon processes continue to operate correctly in the upgraded system.	£20-40k
ii. One Assets	Installation and configuration of One Assets suite for East Devon. Stock Condition and Compliance Manager are initial requirements, though appraisal may identify others too.	Licence: Approx. £30k. Implementation: tba
iii. Contract	East Devon’s contractual commitment to Capita ended December 2018. Opportunity to seek advantageous terms in return for a renewed commitment.	tba.
iv. System Hosting	Capita offer One Housing / One Assets as a hosted solution (utilising MS Azure) or as an on premise solution (ie remaining in the Strata datacentre). The full implications and cost benefits are yet to be assessed.	tba.

14. To meet East Devon’s desire for early implementation of Stock Condition and Compliance Manager functionality, Capita have indicated there may be option for these to be installed prior to the wider upgrade to One Housing and One Assets at no initial cost to East Devon – these costs being an integral component of the One proposal and East Devon only becoming separately liable for these costs if deciding not to proceed with the wider upgrade.
15. Options for installing Stock Condition and Compliance Manager, and implementation timescales and phasing for the wider upgrade will be explored further once the costed proposal has been received from Capita.

## Other Options

16. Other options to upgrading the Open Housing system are:

Option	Comments
<p>i. Do not upgrade to One Housing</p>	<p>Effectively the “do nothing” option. Risks and issues include:</p> <ul style="list-style-type: none"> <li>a. Challenges in meeting our obligations under the Social Housing White Paper 2021, needing to employ out-of-system solutions that are not joined up, are expensive and inefficient for staff.</li> <li>b. Challenges in meeting our obligations under the Building Safety Bill 2021, needing to employ out-of-system solutions that are not joined-up, are expensive, inefficient, risk errors or omissions, and unable to demonstrate that the Council operates robust integrated processes.</li> <li>c. Eventual de-support of Open Housing by Capita could leave our systems unsupported, exposing the Council to data and IT security risks, non-compliance with PSN Code of Connection, and inability to improve service.</li> </ul> <p><b>Conclusion:</b> Not Recommended.</p>
<p>ii. Consider using a different Housing Management System.</p>	<p>Procurement and implementation of an alternative Housing management system would be a large and expensive process involving significant change. Indicative timescales and costs of minimum of 2 years and £200k-plus.</p> <p><b>Conclusion:</b> Not Recommended at this time.</p>

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To be completed by Legal.