



## **DRAFT PORTFOLIO HOLDER DECISION NOTICE**

### **PROPOSED INDIVIDUAL DECISION BY THE LEADER**

#### **TOPIC – PARTNERING AGREEMENT AND PROCUREMENT OF IT SYSTEM FOR CHOICE BASED LETTINGS**

#### **PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

The Portfolio Holder for Finance and Efficiency has been consulted and concurs with the proposal.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Tuesday 3 June 2008.**

**Contact Officers:** Andrew Palmer, Tel: 01962 848 152, Email: [apalmer@winchester.gov.uk](mailto:apalmer@winchester.gov.uk)

**Committee Administrator:**

Frances Maloney, Tel: 01962 848 155, Email: [fmaloney@winchester.gov.uk](mailto:fmaloney@winchester.gov.uk)

#### **SUMMARY**

The Government's 5 year housing plan 'Sustainable Communities: Homes for All' published in January 2005 set out the plans for taking forward its Choice Based Lettings Policy, indicating the intention to see the policy operating on a regional or sub-regional basis. Portsmouth City Council, as the lead Authority, submitted a bid in partnership with Winchester City Council, East Hants District Council and Havant Borough Council, to Government for funding to develop a sub-regional Choice Based Lettings (CBL) scheme. The partnership was successful in obtaining a grant of £100,000. Following policy changes at Portsmouth City Council early in 2007, they announced they would be withdrawing from the project. A final decision to withdraw from the project was confirmed in July 2007. The remaining partners wished to proceed, agreeing that Winchester City Council act as the lead authority. Portsmouth City Council returned the grant monies to Government who, following a formal application, agreed to re-designate these to Winchester. The £100,000 grant for a sub-regional CBL scheme is now held by Winchester City Council.

The Council wishes to continue to pursue a Choice Based Lettings (CBL) Scheme in partnership with East Hampshire District Council and Havant Borough Council. The principle of such an approach was approved by Cabinet on 12 December 2007 (Report CAB1553 refers).

At the same meeting, Cabinet also approved the use of the Portfolio Holder decision making process to make decisions on:-

- (i) The procurement and appointment of a contractor in accordance with the Public Contracts Regulations 2006 who will be required to enter into a joint framework contract for a minimum term of three years with a possible extension for a further period of two years with Winchester City Council, East Hants District Council, and Havant Borough Council for the supply of a web based managed ICT solution for a sub regional Choice Based Lettings System.
- (ii) Hosted ICT services subject to these being within budget.
- (iii) The Council entering into a formal Partnering Agreement with East Hampshire District Council and Havant Borough Council once approved by the CBL Project Board.

Subsequently, officers have identified an existing framework agreement with a supplier (Abritas) for the provision of a suitable web-based IT solution for the CBL scheme, which has been entered into by the Northern Housing Consortium (NHC). The framework was tendered so as to allow members of the Consortium (such as the City Council and the other authorities in the sub-regional scheme) to use this framework to enter into individual contracts with this supplier.

It is therefore proposed to use the NHC framework agreement to negotiate a contract with Abritas for the provision of a CBL software solution, for a fixed period of four years, based on an initial cost of approximately £90,000 (shared equally between the three authorities and to be funded from the £100,000 Government funding) and an annual cost thereafter of £7,400 (to be met within existing revenue budgets).

The formal partnering agreement ensures that the funding which has been obtained (on the basis of a sub-regional approach) and the cost savings which arise from the common approach across the authorities are protected. It limits the risks for the councils involved, and details the procedure if one party wishes to withdraw from the scheme. Operating the scheme and managing the project will involve significant risk of the lead authority (Winchester City Council) without a partnership agreement which sets out the liabilities and responsibilities of each partner.

It is envisaged that the partnership agreement will continue so long as a sub-regional CBL scheme is being operated. The agreement will ensure that each of the three authorities enter into a four year contract with Abritas concurrently. At the end of the four year software contract, it will be possible for either one or more of the authorities to withdraw from the partnership, or to agree to continue the arrangements and jointly procure a new software contract.

### **PROPOSED DECISION**

1. The Council enters into a formal Partnering Agreement for the procurement and operation of a sub-regional CBL scheme with East Hampshire District Council and Havant Borough Council, on terms to be agreed by the Head of Strategic Housing and the Head of Legal Services.

2. That a direction under Contract Standing Order 3.3 (a) be made to allow the entering into of a contract with Abris Limited as set out in this Notice.
3. That the Council enters into a contract for the provision of a web based managed ICT solution for a sub regional Choice Based Lettings System with Abris Limited under the NHC framework agreement for a period of four years.

#### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Winchester, in agreement with its sub regional CBL partners and through the Head of Legal Services, have outsourced the drafting of a Partnering Agreement between the three Authorities. The drafting of this document has been outsourced to a legal firm with proven experience in the process.

The partnership of councils intends to procure the CBL IT software through a framework contract negotiated through the Northern Housing Consortium (NHC). The NHC is a membership organisation representing the interests of councils and RSLs, primarily in the north of England. One of the principal roles of the NHC is to procure services at preferential rates from suppliers for the benefit of its members. All 3 of the sub-regional scheme councils are members of the NHC.

The NHC went through a full European procurement route (OJEU notice) to select a preferred supplier for CBL schemes during 2007. Eventually Abris were selected by NHC as its preferred supplier based on a 60/40 quality/price test. The price agreed during the procurement process is offered to all NHC members, and is at a discounted rate than would be available if the Council were to go through its own tender process, and saves considerable time and expense in advertising and accessing bids which would be incurred if the Council pursued its own tender process.

The partners have met with Abris and are satisfied that they can supply the appropriate sub regional CBL system within the agreed budget. They have experience in working in over 70 local authorities developing CBL systems and have recently completed Guildford's sub regional scheme (in conjunction with Hart DC and Rushmoor BC). Indicative prices have been obtained under the framework arrangements, which suggest a saving (in both money and officer time) compared to the original procurement arrangements which were previously envisaged at the time of the Cabinet report.

All Councils are required by Government to have a Choice Based Lettings Scheme by 2010.

#### **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

N/A

#### **DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None

#### **DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

N/A

**Approved by: (signature)**

**Date of Decision**

**Councillor Beckett - Leader**