

**Capita Housing Upgrade/Migration to Hosted Platform****Report by Kevin Anderson, Executive Director, Place****Report for Decision****1 Recommendations**

That Council:

1. Note the assessment carried out and that Capita ONE Housing hosted SaaS is considered to represent the best value solution.
2. Approve an increase in the HRA expenditure budget for 2020/21 of £284,000 and note that future year budgetary impacts will be reflected in the HRA budget development process for the years in question.

**2 Purpose of Report/Executive Summary**

The purpose of this report is to set out the rationale for upgrading the Capita Housing (Academy) system and moving it to a hosted, Software as a Service (SaaS) model to gain efficiencies for Council staff while delivering a customer-centric service.

It outlines:

- The business, operational and financial implications of selecting a hosted SaaS platform.
- The budgetary implications for upgrading this application and the actions necessary to provide for this.

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### **3 Background**

#### **3.1 One of the Council's core business applications, Capita Housing (commonly known as Academy) will reach end of life by March 2021.**

The Academy system is fundamental to the delivery of a range of Housing Services, including tenancy management and Homelessness. It provides business critical case and knowledge management functions for these services without which they cannot operate. Data from the system also drives Key Performance Indicator reporting and is provided to other agencies such as the Scottish Housing Regulator.

#### **3.2 Technology**

Academy is currently hosted 'on premise', using a traditional internally owned server architecture, which has associated financial and personnel resource implications. Like all of our major on premise business applications, it requires intervention to patch and maintain the hardware, operating systems and the application itself. It also comes within our Public Services Network (PSN) remit.

As part of our Digital Strategy we have been making a conscious move to migrate business applications to hosted Software as a Service (SaaS) if business and technical requirements are met. This also reflects the wider industry shift to SaaS as the future delivery model of business applications as advances in, and availability of, cloud technologies provide an opportunity to a move away from a traditional 'on premise' solution and consider the adoption of a SaaS model.

Several recent system implementations have been procured as SaaS solutions including: Legend Leisure Management; Civica Icon; Astech Committee Management System; Idox; ParentPay; Mosaic; Online School Payments; and ServiceNow.

#### **3.3 Options**

Council officers have considered the following options available:

- a) Go to market and procure a Housing application via open tender process. This would not be able to be progressed within the timescales available and would leave Midlothian Council exposed to the risk of using an unsupported Housing application. It would also bring the potential for the need to make wider and substantial changes to the Council's business processes and require additional development for interfaces to other applications.
- b) Upgrade on current Midlothian infrastructure to Capita OPEN Housing. Capita have advised that this version of their Housing application will likely be de-supported in 2022/2023 and so represents too short term a solution.
- c) Upgrade/Migrate to Capita ONE Housing application – this is only available as a hosted SaaS model.

Council officers consider option C to offer best value moving forward as outlined below.

### **3.4 Hosted Solution**

Capita have provided a five year proposal for hosting Capita ONE in their secure cloud environment. This includes hardware, operating systems software, application software, maintenance and support. The company would also be contractually committed to meeting all PSN and other security compliance targets, as an opportunity cost benefit to the Council in addition to the undernoted key benefits.

### **3.5 Key Benefits**

- Capita ONE Housing provides options for a chosen Housing Allocation model.
- The prospective integration with other Capita systems already in place across the Council.
- Fixed, known annual costs over a five year period to cover all of Midlothian's hardware, software and storage requirements.
- Wider availability of a solution to staff working offsite, increasing the benefits of flexible and mobile working.
- System upgrades are performed when it is convenient for the Service and outwith business hours, eliminating downtime for Midlothian staff and customers.
- More frequent upgrades aid us in meeting changes to legislative requirements and offer a better user experience for services.
- Meets the Council's strategic aim of moving business applications to a hosted environment.
- Managed monitoring of hardware issues by a designated team.
- Reduces the need for future capital expenditure on local infrastructure.
- Full 24 hour x 7 days support.
- Full system resilience - in the event of the main servers becoming unavailable the vendor can move Midlothian onto back-up hardware swiftly.
- Reduces the requirement for internal support of hardware and software.
- Infrastructure and application compliance are provided by the vendor in a secure environment in line with best practice.

- Scalability of solution to meet future system growth is assured.
- Consistent provision of the latest software release maximises potential use of the platform.

### **3.6 Procurement**

It is proposed that this contract would be awarded via the G-Cloud framework provided by the Crown Commercial Service.

### **3.7 Shared Services**

In the context of potential joint working or partnership opportunities with other local authorities; it should be noted that Scottish Borders Council (SBC) completed a housing stock transfer a number of years ago so do not operate as a Social Housing landlord. SBC therefore have no requirement for a Housing management application.

## **4 Report Implications (Resource, Digital and Risk)**

### **4.1 Resource**

Upgrade/migration to Capita ONE SaaS represents a significant piece of work therefore full Project Governance and Management is required.

Staff from Housing Services, Digital Services, Business Applications and Finance will be required for the Project Team and this will be met from existing staffing budgets.

There is a requirement for a dedicated Project Manager and this is reflected in the implementation costs below. The project management resource required reflects the size of the implementation and has to complement the resources deployed by the supplier. This project could not be managed from within existing resources alongside other priorities.

Senior Officers will be required for the Project Board, which will be chaired by either a Chief Officer or Director.

## Overall Costs

## Revenue

*Table 1 – Additional Impact on Revenue Budget*

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capita ONE SaaS	£55,830	£55,830	£55,830	£55,830	£55,830	£279,150
Additional 3 <sup>rd</sup> party Software Licences	£31,000	£0	£0	£0	£0	£31,000
Project Implementation	£159,300	£0	£0	£0	£0	£159,300
Project Management	£37,800	£0	£0	£0	£0	£37,800

Implementation of the proposed solution will require an increase in the HRA expenditure budget for 2020/21 of £284,000. This is reflected in the HRA financial report elsewhere on today's agenda. Future year budgetary impacts will be reflected in the HRA budget development process for the years in question.

## **4.2 Digital**

Digital Services, Business Applications and Housing have clearly identified the benefits that Capita ONE Housing SaaS will have in continuing to support critical service delivery and in providing a platform to improving service delivery, for example supporting the effective delivery of choice based letting.

## **4.3 Risk**

All hosted SaaS solutions carry some inherent risks.

- Dependence on the suppliers for all elements of service will require effective contract management to maintain compliance and avoid degradation in performance.
- A remotely located service is entirely dependent on a resilient connection from Midlothian networks to the internet. Our internet connection has not suffered significant downtime in over 5 years.
- End of contract off-boarding to an alternative supplier will need to be effectively represented in our contract to ensure that Midlothian has the flexibility to move to alternative applications at a later date.

#### **4.4 Ensuring Equalities (if required a separate IIA must be completed)**

An EqIA has not been carried out for this report as there is no change to deliver the same service to customers and the community.

#### **4.5 Additional Report Implications (See Appendix A)**

See Appendix A

### **Appendices**

#### **Appendix A – Additional Report Implications**

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The recommendations will support:

- The management of additional affordable housing.
- The management of homelessness and those threatened with homelessness.
- The Strategic Housing Investment Plan.

### **A.2 Key Drivers for Change**

Key drivers addressed in this report:

- ☐ Holistic Working
- ☐ Hub and Spoke
- ☒ Modern
- ☒ Sustainable
- ☒ Transformational
- ☐ Preventative
- ☒ Asset-based
- ☒ Continuous Improvement
- ☐ One size fits one
- ☐ None of the above

### **A.3 Key Delivery Streams**

Key delivery streams addressed in this report:

- ☐ One Council Working with you, for you
- ☐ Preventative and Sustainable
- ☒ Efficient and Modern
- ☒ Innovative and Ambitious
- ☐ None of the above

### **A.4 Delivering Best Value**

Based on the options appraisal, adoption of a SaaS approach is recommended on the following basis:

1. It provides a stable and more consistent and effective service to staff and clients.
2. Moving to a SaaS solution increases resilience and removes exposure to price increases for what is a business critical application.
3. Moving to a SaaS solution secures dedicated digital skills from the supplier, including 24/7 x 365 support.

## **A.5 Involving Communities and Other Stakeholders**

The vision for customer services cannot be implemented as this supporting technology is not fit for purpose as the present housing service system has reached end of life and cannot be developed.

This upgrade and migration to a hosted system allows a redesign of how we deliver services to our customers, who derive community benefits of excellence and modernity. Redesign of services will gain efficiencies for Council staff while delivering a customer-centric service.

Internal stakeholders have been consulted during the preparation of this report.

## **A.6 Impact on Performance and Outcomes**

The adoption of Capita ONE Housing SaaS will improve overall system performance and deliver consistent and reliable services to Midlothian residents and staff. This will also ensure equality and sustainability for the next five years.

## **A.7 Adopting a Preventative Approach**

Not applicable

## **A.8 Supporting Sustainable Development**

Moving business applications to a hosted platform will, cost differences aside, always be beneficial to Midlothian Council as outlined above.