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Innovation in Technology Procurement Project
Housing Management Procurement Workshop 1 - 25.11.20

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Why are we here?



There is a burning desire for a new approach to housing management technology.

Problem:

- Dissatisfaction with legacy HMS that do not meet user needs, strategic goals or performance requirements (most with Northgate, others with Civica).
- Expiring HMS contracts that need renewal or retendering. A number of borough contracts expire in 2021 & 2022 e.g. Hounslow is aiming for a procurement in early-2021 to replace Northgate OHMS.

Opportunity:

- With many boroughs facing similar challenges, there is an opportunity to aggregate demand for a new solution and approach the procurement jointly.
- LOTI is able to help convene and steer joint working, with [Innovation in Procurement Guidance](#) to support implementation.

What have we discussed to date?



Earlier this year, LOTI led boroughs through a process to scope shared housing management needs. Workshop summary [here](#).

Lessons Learned (from Croydon):

- Start early, as the process can be lengthy - 1-3 years
- Avoid complex specification documents -- they are time consuming, and dissuade smaller suppliers from bidding.
- Map the system integration requirements as early as possible
- Have a clear view of functionality that must be delivered 'out of the box', versus 'on the roadmap'

Shared Needs / Asks:

1. Interoperability to enable data openness and system integrations (without charges) - see [LOTI API Tender Wording](#)
2. Improved core product -- e.g. better customer journey or front-end interoperability
3. Improved performance -- e.g. to avoid systems running slowly through KPIs and service credits.
4. Improved maintenance -- e.g. announcing releases in advance and ensuring they are properly tested
5. Improved management -- e.g. more responsive account management
6. Pricing and roadmap transparency at the procurement stage

What can we do together?

This is the first set of workshops to align boroughs on a shared approach to procuring a new HMS.

5 Themes of Collaboration (see ['Collaboration Guidebook'](#))

- Share best practice ✓
- Identify opportunities to aggregate demand ✓
- Consider engaging the market and/or procuring jointly
- Consult in the tender design process
- Jointly manage shared suppliers

Attend Joint Workshops: LOTI will organise workshops to support collaborative procurement process. The remaining workshops focus on joint procurement and tender design.

- Today (Weds 25th): Horizon Scanning & Discussion
- Next Week (Weds 2nd): Align on a Shared Strategy
- Week After (Weds 9th): Set a Tender Approach

Today's Objectives:

- Review PUBLIC's market research and insight on HMS and PropTech market
- Review the 3 main procurement options
- Discuss the desirability and feasibility of each option, agreeing which to take forward to next week

Market Insights



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The requirements

Broadly, each Borough's HMS will perform similar core functionality, with some bespoke integrations and requirements. CCS analysis of common requirements [here](#).

Functional Area	Requirement		Functional Area	Requirement
People and households	Required		Right to buy	Required
Tenancy management	Required		Leasehold management and Service Charges	Required
Rents	Required		Customer web portal	Required
Arrears management	Required		Case management	Required
Property management	Required		Information and reporting	Required
Repairs	Required		Homelessness	Optional
Contractor portal	Required		Private sector leasing	Optional
Voids	Required		Housing needs	Optional

Procurement Options



Main Procurement Options

There are only a few realistic options for Boroughs to secure their HMS requirements.

1

Tender for a full-suite HMS provider

e.g. Northgate, Civica, Capita

APPROACH: Jointly engage large HMS providers to negotiate a better value service.

PROS:

- (i) Full suite so little development or maintenance.
- (ii) Some embrace interoperability through APIs. Most have a cloud offering.

CONS:

- (i) Digital customer experience is not high.
- (ii) Can still be costly to integrate custom modules or workflows, or access data.
- (iii) Migration costs from one system to another are high.

2

Develop a new solution on Microsoft

MS Dynamics + Reseller

APPROACH: Approach MS with a 'single voice' to negotiate the best deal and reseller. Jointly develop core modules that replace functionality of legacy systems over time.

PROS:

- (i) MS is cloud-native and highly interoperable, especially with MS suite.
- (ii) Number of resellers now well practiced at deployment.

CONS:

- (i) Building modules takes time, leaving users with legacy processes until replaced.
- (ii) Ideally, some level of process alignment would take place.

3

Jointly develop a Digital Platform

Develop additional modules

APPROACH: Jointly procure a COTS platform, with individual module development to meet full requirements:

- e.g. Housing Lite Platform
- e.g. CXM Platform
- e.g. Low-Code Platform
- e.g. Digital Property Platform

PROS:

- (i) Cheaper deployment
- (ii) Excellent out-of-the-box functionality for certain modules

CONS:

- (i) Requires bespoke module development or integration to meet full needs



Summary of Workshop Participation

Post-Workshop Summary

This is a summary of the key discussion points from the workshop.

Participation:

- We were grateful to the 20 participants of the discussion drawn from across a range of boroughs.

Market Analysis:

- From recent engagements with Northgate, Brent indicated that their HMS is fully cloud native (revisions to slides made).
- Note that there has been no new HMS in the market for over a decade. No smaller or startup innovation is competitive with core functionality.

Options Discussion:

- Option 1: The priorities are for interoperability, cloud enablement, and digital customer experience.
- Option 2: Building a new platform in Microsoft Dynamics has inherent risks that make it unattractive, as large non-housing specialist platforms may later decide to prioritise investment elsewhere. However, a few boroughs actively develop single modules and tools in MS365 (e.g. Brent), so these efforts should still be supported.
- Option 3: The front end is a priority and boroughs see digital customer experience capabilities like Jadu and Firmstep as enabling the flexible, user centric experience that currently isn't prioritised within the larger HMS. However, these capabilities must be built on top the core infrastructure of a HMS rather than acting as a replacement.

Summary:

- We heard good alignment among the group to favour an approach that prioritises a HMS provider able to offer the core functionality at the back-end, while still enabling boroughs to take creative approaches to the front-end.
- We must next take an approach that prioritises the user needs, and build out the specifications and tender approaches from that basis.

Agenda for next week's workshop

To build on this week's workshop, next week we will focus on:

Shared Priorities

- [Reviewing](#) and discussing the shared business objectives and value drivers.
- Reviewing each boroughs anticipated timelines and resource commitment.

Ways of Working

- Discussing the partnership and governance approach moving ahead.
- Setting shared ways of working together.

Work Items to Complete

- Plan the key work items the group will need to complete in order to speak with a 'single voice'. This could include:
 - Map commonalities and divergence in existing housing processes and technologies
 - Define common user needs (undertaking user research with staff and citizens)
 - Define common requirements (functional, technical and performance)
 - Outline future functionality needs
 - Define tender or commercial options

**Thanks for participating!
Please leave comments
with your views.**

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