

REPORT TO: East Lothian Council

MEETING DATE: 29 April 2025

BY: Executive Director for Place

SUBJECT: Housing Management IT System and Rent Review Update

1 PURPOSE

- 1.1 To update Council on the progress and current position of two key interlinked projects: the Housing Management IT System and Rent Review.

2 RECOMMENDATIONS

- 2.1 That Council notes progress on the Housing Management IT System and Rent Review projects, recognising the complexities and challenges with each.

3 BACKGROUND

Housing Management IT System (HMIS)

- 3.1 The Council's existing Housing Management IT system (HMIS) with MRI (formerly Orchard IS) has been in use from at least 1995. The contracts that were in place at that time have ended and given way to an annual support and maintenance arrangement, which has been in place for a considerable number of years.
- 3.2 Given this, along with increasing costs associated with annual support and maintenance, a review was undertaken to see if the system should be retained, invested in and modernised versus replacement with a more integrated system.
- 3.3 This review commenced in early 2018 and completed in March 2019 with a recommendation that a new, integrated end-to-end system should be procured through a competitive tender process.

- 3.4 A new project commenced in November 2019 to procure and implement a new HMIS solution.
- 3.5 The procurement phase ended in February 2022 and a contract for the provision of a new HMIS was awarded on 1 February 2022.
- 3.6 An implementation plan was developed in conjunction with the supplier with two key phases. Phase 1 (initial target date of October 2022) would see the delivery of a new Assets database with phase 2 subsuming all other existing Orchard functionality plus other elements such as AVD (Homelessness system) and Antisocial Behaviour (initial target date of Feb/April 2024).
- 3.7 Considerable progress had been made with Phase 1, but it was halted in December 2022 due to the supplier not fully developing the Assets module. This delay was to allow time for the UK Government to revise their version of the energy rating which was forecast to be some time away.
- 3.8 Consequently, the project plan was reprofiled to reflect this and the replacement of all existing Orchard functionality would be prioritised followed by the resurrection of the Assets database at a later stage.
- 3.9 This phase is significant in its scale and scope and covers rent accounting, arrears management, tenancy management, allocations, housing list management, property maintenance and mobile working along with multiple interfaces.
- 3.10 This phase has also encountered significant challenges and a further development issue with the supplier which pushed back the go-live date once again. This has resulted in a number of high-level meetings with the supplier to ensure this is brought back on track. At the latest meeting they have confirmed that the next release will complete by the end of April 2025, which will then allow the necessary testing and development work to be undertaken by the Council.
- 3.11 A new project plan has been developed by the project manager in the Transformation Team, which set outs key milestones for the testing and implementation with an estimated go-live date of 1 October 2025.
- 3.12 This revised date for implementation is high risk with significant pressure on the build resources. Continued engagement is underway with the supplier to seek additional support, with newly established monthly meetings in place to monitor this closely; however, officers have noted that the 1 October 2025 date is ambitious.
- 3.13 There are ongoing discussions with the existing supplier, MRI, to extend the existing system arrangements to the end of December 2025 by way of contingency, should this be required.

Rent Review

- 3.14 The current rent structure was introduced in 2003 following a major review.

- 3.15 It is recognised that the current rent structure is complex and flat in terms of rent levels between the smallest and largest property sizes but there are numerous rent variations. This is compounded with new build rents having an additional supplement since the inception of the new build programme.
- 3.16 Given all of this, an attempt to carry out a rent review was started in 2019 but was disrupted due to the COVID-19 pandemic when the Housing Service in common with all other Council services experienced considerable service disruption.
- 3.17 Since then, the consultants were recommissioned in 2024 to undertake an exercise to evaluate the affordability of existing Council rents, the consistency of the rent structure and explore some potential models for how the new structure could be framed. Finance have completed some modelling based on the options to allow us to embark on a full rent review.
- 3.18 The review will be about ensuring fairness and equity for tenants across the different property types and sizes and to ensure a clear and transparent rent structure. This review will, however, encourage efficient use of our housing stock by setting rents that reflect property size, condition and demand, and discourage under occupancy.
- 3.19 The review will not be seeking to increase income levels or align rents with the Scottish average; however, it will need to ensure that it continues to meet the Council's financial strategy and key financial tests to ensure that the Housing Revenue Account is sustainable and delivers its business needs in terms of planned and reactive repairs and the delivery of the housing service.
- 3.20 The impacts of this potential new structure are currently undergoing some modelling work, and officers will be working alongside the Benefits Service to ensure that financial hardship and the accumulation of rent arrears are prevented. The modelling will also require the consideration of options for transitional relief to minimise the impact of rent increases and ensure affordability for tenants, and officers will need to ensure there are minimal adverse financial adverse impacts arising from this.
- 3.21 As well as framing any new rent structure, consideration needs to be given to the impact on tenants and involving them in the consultation process.
- 3.22 Appendix A sets out some high-level milestones for the development of this new rent structure; however, it should be noted that the rent review is also interdependent on the new Housing Management Information System and will need to be configured and tested on the same prior to implementation. It will not be possible to implement a rent restructure ahead of the full implementation of the HMIS.

4 POLICY IMPLICATIONS

- 4.1 The delivery of the new Housing Management IT system and the rent review will help support the Council's Housing Service deliver improved outcomes.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 An Integrated Impact Assessment is not applicable to this report but will be required ahead of the introduction of any new rent structure.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – unknown at this stage
- 6.2 Personnel – None.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Appendix A (work plan)

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DATE	March 2025

APPENDIX A

Rent Restructure Project Plan

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